

2015-16

Recommended Budget



MAYOR AND COUNCIL

Bill Saffo, Mayor

Earl Sheridan
Margaret Haynes, Mayor pro Tem
Laura W. Padgett

Neil Anderson
Kevin O'Grady
Charlie Rivenbark

CITY STAFF

Sterling B. Cheatham, City Manager Lynn L. Heim, Budget Director
Ellen Owens, Sr. Budget Analyst.....Scott Steinhilber, Sr. Budget Analyst

TABLE OF CONTENTS

INTRODUCTION

Introduction	1
Reader's Guide	2
Budgetary Fund Structure	4
Budget Process	8
City Organization Chart	12
Financial Management Policies	13

BUDGET SUMMARY

Recommended Budget Message	18
Revenue and Expenditure Summary	30
Total Budget Summary	31
General Fund Summary	33
Consolidated Unassigned Fund Balance	35
Authorized Position Listing	36

REVENUE ESTIMATES

Revenue Summary	37
General Fund Revenue Estimates	38

GENERAL GOVERNMENT

Governance Offices	41
Human Resources	46
Finance	47
Information Technology	48
Sundry Appropriations Nondepartmental	49
Sundry Appropriations Non-City Agencies	52
Sundry Appropriations Contingency/Economic Incentives	55
Sundry Appropriations Transfers	56

COMMUNITY DEVELOPMENT

Community Services	57
CDBG/HM Grant Loan Fund	58
Community Development Block Grant	59
Home Investment Partnership Fund	60
Planning, Development and Transportation	61
Public Services	62

PUBLIC SAFETY

Police	63
SABLE (Southeastern AirBorne Law Enforcement).....	64
Fire	65

ENTERPRISE FUNDS

Storm Water Management Fund	66
Solid Waste Management Fund	67
Golf Course Fund	68
Parking Facilities Fund	69

OTHER FUNDS

Fleet Management Fund.....	70
Debt Service Fund	71
Technology Replacement Fund.....	72
Convention Center Operating Fund.....	73
Special Purpose Fund	74

CAPITAL IMPROVEMENT PROGRAM

77

INTRODUCTION

Welcome to the City of Wilmington's Annual Budget. Through this document we, as proud citizens and employees, wish to convey what City government is doing to maintain the quality of life in Wilmington and the improvements we are making to preserve and enhance Wilmington's safe, clean, and prosperous environment.

This budget serves four basic functions for City Council, staff, the citizens of Wilmington, and others. First, it is a policy document that articulates the City Council's priorities and issues for the upcoming year. Secondly, it serves as an operations guide for staff in developing goals and objectives for the new year and in monitoring and evaluating progress toward those goals. Thirdly, the budget is a financial device for the projection of revenues and expenditures; it authorizes expenditures and the means for financing them; and, is a control mechanism for spending limits. Finally, it is a way to communicate to citizens how public money is being spent and what is being accomplished with those expenditures. We hope all readers of this document come away with a better understanding of City services in general and specifically what will be done in Wilmington during the fiscal year 2015-16.

City staff embraces five Core Values as a guideline for personal conduct when fulfilling the City mission "to provide quality services which enhance the safety, livability, and prosperity of our community." Those Core Values are Respect, Professionalism, Service, Integrity, and Safety. The Strategic Plan focus areas of Diverse and Thriving Economy, Welcoming Neighborhoods and Public Spaces, Efficient Transportation Systems, Safe Community, Civic Partnerships, and Sustainability and Adaptability were designed by City Council and staff to fulfill that same City mission. It is the hope of City staff that, by using this guide and working with City residents, City government can better meet the needs of every citizen.



READER'S GUIDE

The budget begins with the City Manager's budget message that contains key features of the budget as recommended by the City Manager, including a recommended property tax rate. Highlights of the proposed work plan and information about the financial condition of the City are also included.

The first section in the document, the Budget Summary, summarizes the total City budgeted revenues and expenditures as well as the total General Fund budget. The Budget Summary section also includes a listing of appropriations by funds, an accounting term which simply means a balanced set of revenues and expenses. The City of Wilmington has established separate funds for the purpose of reporting and accounting for all financial transactions. Each fund represents a separate financial and accounting entity established for the purpose of carrying out a specific set of activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations that pertain to the operations or resources of the fund.

Each fund is categorized by **operating**, **program**, **debt service**, and **capital project** funds and reflects a gross amount as well as the net budget which is less appropriations to other funds and debt funding. A separate summary shows the capital debt service projects.

A summary of total revenues for all funds is reflected in the next section and shows the prior year adopted budget levels as compared to current budget. Details follow this summary and again, each fund is identified within the categories of operating, program, debt service, and capital projects.

The General Government section provides expenditure summaries for the General Fund governance and administrative and support services departments. Each department is shown separately and includes an authorized position total. This section also shows the General Fund Sundry appropriations, and all nonprofit agency appropriations.

The next section summarizes the budgets of the City's Community Development departments, which include Community Services, Planning, Development and Transportation, Public Services, the Community Development Block Grant Fund (CDBG), CDBG/HOME Grant and Loan Administration Fund, and HOME Investment Partnership Fund. The CDBG and HOME grant funds include the City's annual entitlement from the federal Department of Housing and Urban Development (HUD) for activities designed to improve low and moderate income neighborhoods. Expenditures include housing loan programs, capital improvements, and contributions to public service agencies. The CDBG/HOME Grant and Loan Fund was established to account for the community development and accounting activities associated with the federal entitlement for the Community Development Block Grant and HOME

Investment Partnership funds.

The Public Safety section follows and includes the General Fund expenditure budgets for Police and Fire. These are also shown with authorized positions and expenditure summaries for both departments and any associated divisions as well as explanatory budget information.

The next section summarizes the budgets of the City's Enterprise Funds. An enterprise fund is a fund established to account for operations that are financed and operated in a manner similar to private business enterprises. Expenditures in these funds are financed primarily through user fees.

The Other Funds section of the budget contains smaller funds and includes two internal service funds that centralize the expenditures and replacement of vehicles and technology.

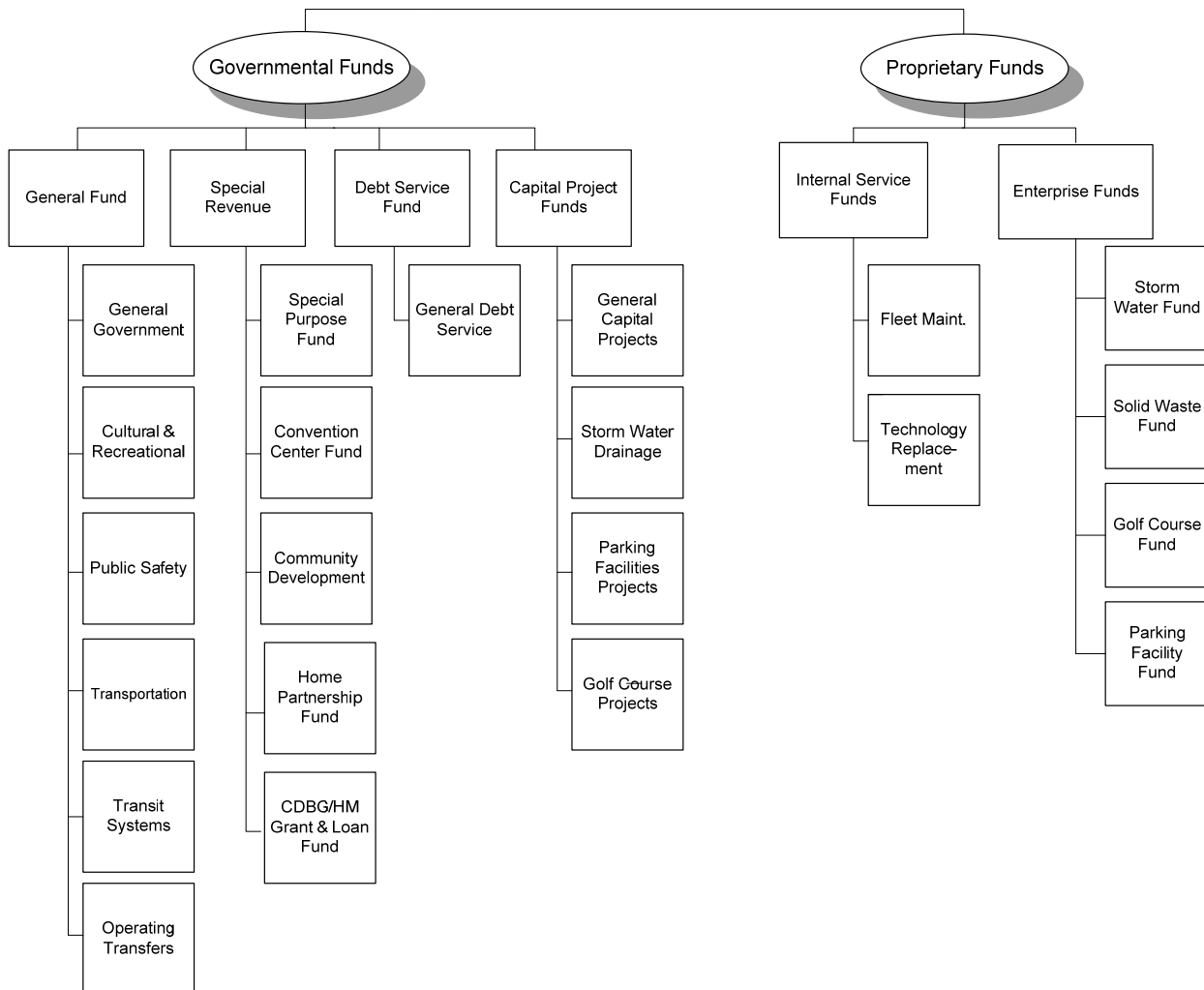
The Capital Improvement Program section contains the City's plan for major capital projects to be funded over the next five years (FY 2016-2020). These are new construction and/or renovation projects which improve the City's infrastructure. The projects are grouped according to general type: Streets and Sidewalks, Parks and Recreation, Public Buildings and Facilities, and Storm Water. Funds for these improvements come from transfers from the City's 80/20 Capital Debt Plan, the Parking Fund, Storm Water Management Fund, as well as from bonds and other sources.

BUDGETARY FUND STRUCTURE

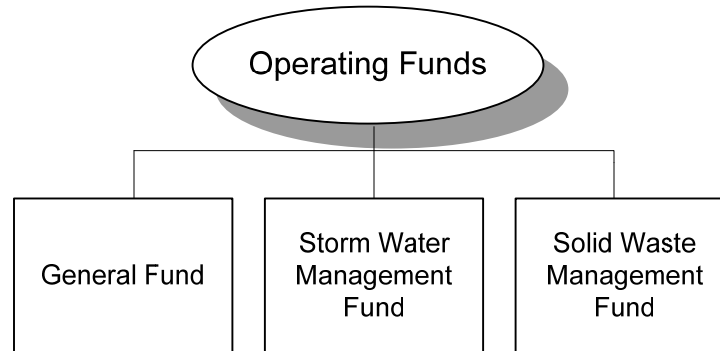
The City of Wilmington budget consists of two overarching fund types. They are **Governmental Funds** and **Proprietary Funds**.

Governmental Funds are used to account for those functions reported as governmental activities. Most of the City's basic services are accounted for in governmental funds.

The City of Wilmington has two types of **Proprietary Funds**. *Enterprise Funds* are used to report the same functions presented as business-type activities and *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of the City of Wilmington. The City uses Internal Service Funds to account for two activities – fleet operations and technology replacement.



FUNDS SUBJECT TO APPROPRIATION BY CATEGORY

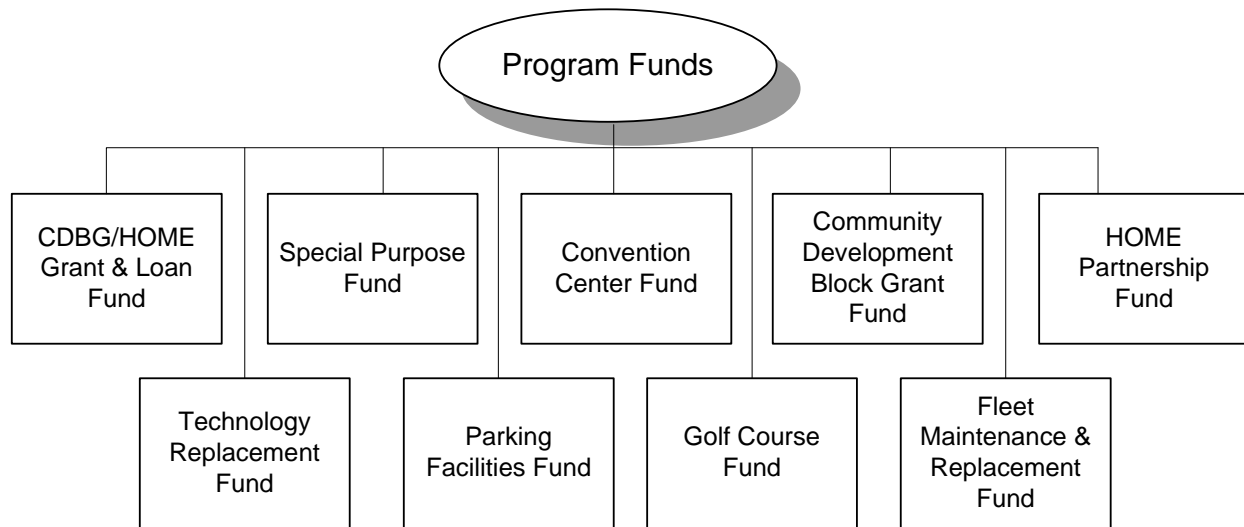


These funds provide for all of the basic operations of the City government.

The *General Fund (010)* is the general purpose fund of the City of Wilmington. It was established to account for all financial resources, except those required by State law, local ordinance, and generally accepted accounting principles, to be accounted for in another fund. General Fund revenues primarily include property taxes, sales taxes, revenues from state and federal governments, licenses, fees, and permits. The major operating activities include general government, public safety, community development, transportation, and other governmental service functions.

The *Storm Water Management Fund (050)* includes revenues and expenditures associated with the City's storm water planning, maintenance, public information efforts, and the City's drainage capital improvements. The storm water utility fee, which is based on the amount of impervious surface present on each parcel of property, is the primary revenue source for these expenditures.

The *Solid Waste Management Fund (056)* includes revenues and expenditures for the collection and disposal of garbage, yard waste, recyclable materials, and other refuse. Solid waste customer fees are the primary revenue source for this fund.



Each of these funds is set up to meet a specific purpose and function, but the services they provide are not mandated by law.

The *Special Purpose Fund (021)* is supported primarily by grant funds and donations to the City for special purposes.

The *Convention Center Operating Fund (022)*, established by City Council in April 2008, captures the costs of managing the project, as well as marketing and pre-opening expenditures. It is supported primarily by Room Occupancy Tax funds allocated to the City for the development of the Convention Center.

The *Community Development Block Grant Fund (023)* is supported primarily by federal grant funds allocated to the City for community development programs designed to improve low and moderate income neighborhoods.

The *CDBG/HOME Grant and Loan Fund (024)* is supported by CDBG and HOME Partnership administrative funds allocated under the entitlement to the City as well as General Fund revenues to support low and moderate income housing and community development activities.

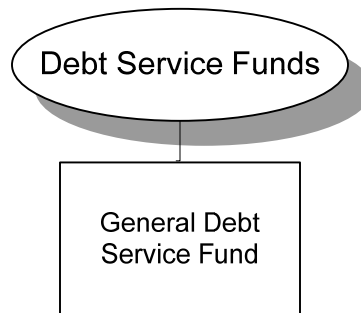
The *HOME Partnership Fund (025)* is supported primarily by federal grant funds allocated to the City for housing-related activities in low and moderate income neighborhoods.

The *Parking Facilities Fund (055)* provides for the general operational and maintenance costs for the Second and Market Street parking decks, the Second Street and Hannah Block parking lots, and on-street parking. The fund is supported by parking deck and meter user fees as well as interest earnings.

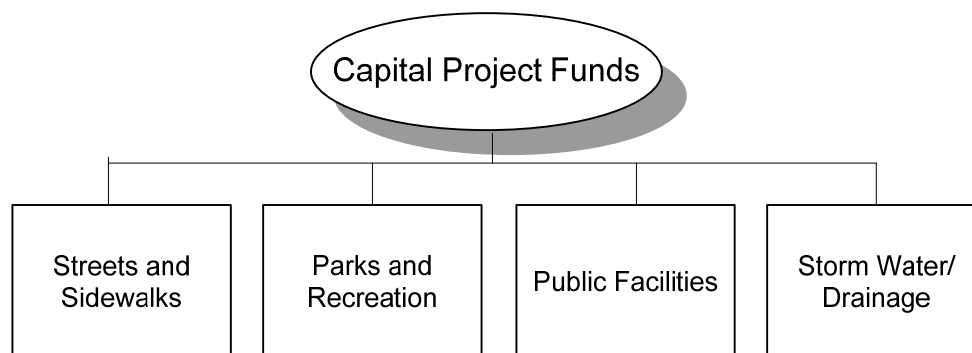
The *Golf Course Fund (057)* is supported by the income received at the City's municipal golf course and the associated costs with running that operation.

The *Fleet Maintenance and Replacement Fund (061)* is an internal service fund that centralizes the expenditures for the maintenance and replacement of vehicles for all participating departments. Each City department makes annual payments according to the types of vehicles leased.

The *Technology Replacement Fund (065)* is an internal service fund that provides for the replacement of technology to reduce the technology gap and off-site hosting of certain applications. Revenues for this fund consist of internal charges to City departments according to the type of device and a subsidy from the General Fund.



The *Debt Service Fund (015)* was established to set aside resources to meet current and future debt service requirements on general long-term debt. The fund receives a dedicated \$0.0500 of property tax which funds the City's maintenance and new infrastructure capital needs. Eighty percent (80%) of the rate pays for debt and 20% pays for pay-as-you-go projects – 80/20 Capital Debt Plan. Beginning FY 2016, the Debt Service Fund will receive a dedicated \$0.0200 tax with the voter approved Streets and Sidewalks Bonds.



The purpose of the Capital Project Funds is to account for the financial resources segregated for the acquisition or construction of major capital facilities. The budgets within these funds are adopted for the life of the project, with revenues and expenditures accumulating until the year in which the project is completed.

The Capital Project Funds provide for street and sidewalk improvement projects, park improvement projects, and various other physical improvement projects which typically cost over \$50,000, have a useful life greater than five years, and are approved by the City Council.

Funding for capital projects comes from several sources, including property and sales tax collections as well as fees.

BUDGET PREPARATION AND ADOPTION

The City of Wilmington begins the budget process in September with the preparation for proposed new and revised capital improvements projects. The official budget kick-off is done in December with a transmittal to all staff involved in the budget process that includes budget instructions and key issues and changes. In January and/or February, work sessions are held with the City Council to review the City's financial condition and the forecasts for the future. This is also an opportunity for the Council to develop goals and objectives for the upcoming year.

In accordance with State Statutes, departments must submit a budget request to the Budget Officer before April 30 of each fiscal year. After all departmental budgets are submitted, the Budget Office reviews the requests and meets with each department individually to review the needs and priorities in detail. The Budget Office and the departments then meet with the City Manager to discuss programmatic issues and the objectives to be accomplished in the new budget year. Revisions are made as necessary in the operating budgets, the capital budgets, and the revenue estimates, until a final recommended budget document is produced in April.

A budget message and a balanced budget must be submitted to the Council no later than June 1, according to State Statutes. In the City of Wilmington, these are typically submitted to City Council in May. After a formal budget submission to Council, work sessions are conducted with the Council, and a public hearing is held to provide an opportunity for all citizens to have input in the budget. In accordance with State Statutes, final adoption of the budget takes place before July 1 of each year.

In accordance with the North Carolina General Statutes, the City prepares and adopts the budget on the modified accrual basis of accounting, in which revenues are recorded when the amount becomes measurable and available, and expenditures are recorded when the liability is actually incurred. Only revenues and expenditures anticipated during the fiscal year are included in the budget. Unexpended operating budget funds revert to fund balance at the close of the fiscal year. Unexpended capital project reserve funds are carried forward life-to-date until the project is officially closed.

Throughout the fiscal year the City's financial accounting system maintains a modified accrual method as the adopted budget. At year-end, the City's Comprehensive Annual Financial Report (CAFR) is prepared on a basis consistent with "generally accepted accounting principles" or GAAP. This basis of accounting conforms to the way the City prepares its budget with some exceptions. The most notable exception is that the City's Enterprise funds are converted from the modified accrual basis of accounting to the full accrual basis for financial statement presentation purposes. In the accrual basis, revenues are recognized when they are earned and expenses are recognized when they are incurred. This change between the budget and the financial report for the Enterprise funds provides for some significant differences. One is that depreciation is recorded as an expense in the CAFR and is not recognized at all in the budget. Another is that capital outlay and principal debt service payments are identified as

expenditures in the budget but reported as adjustments to the balance sheet in the CAFR.

The following chart summarizes when accrual and modified accrual are used for the basis of reporting and the basis of budgeting:

<u>Fund</u>	<u>Basis of Budgeting</u>	<u>Basis of Reporting</u>
General	Modified Accrual	Modified Accrual
Special Revenue	Modified Accrual	Modified Accrual
Enterprise	Modified Accrual	Accrual

BUDGET AMENDMENT PROCESS

Proposed amendments to the budget may be submitted at any time by a member of the City Council or the City Manager. The City Manager is authorized to transfer budget amounts within adopted functional categories, however, changes between categories or that change total expenditures in any fund must be approved by City Council.

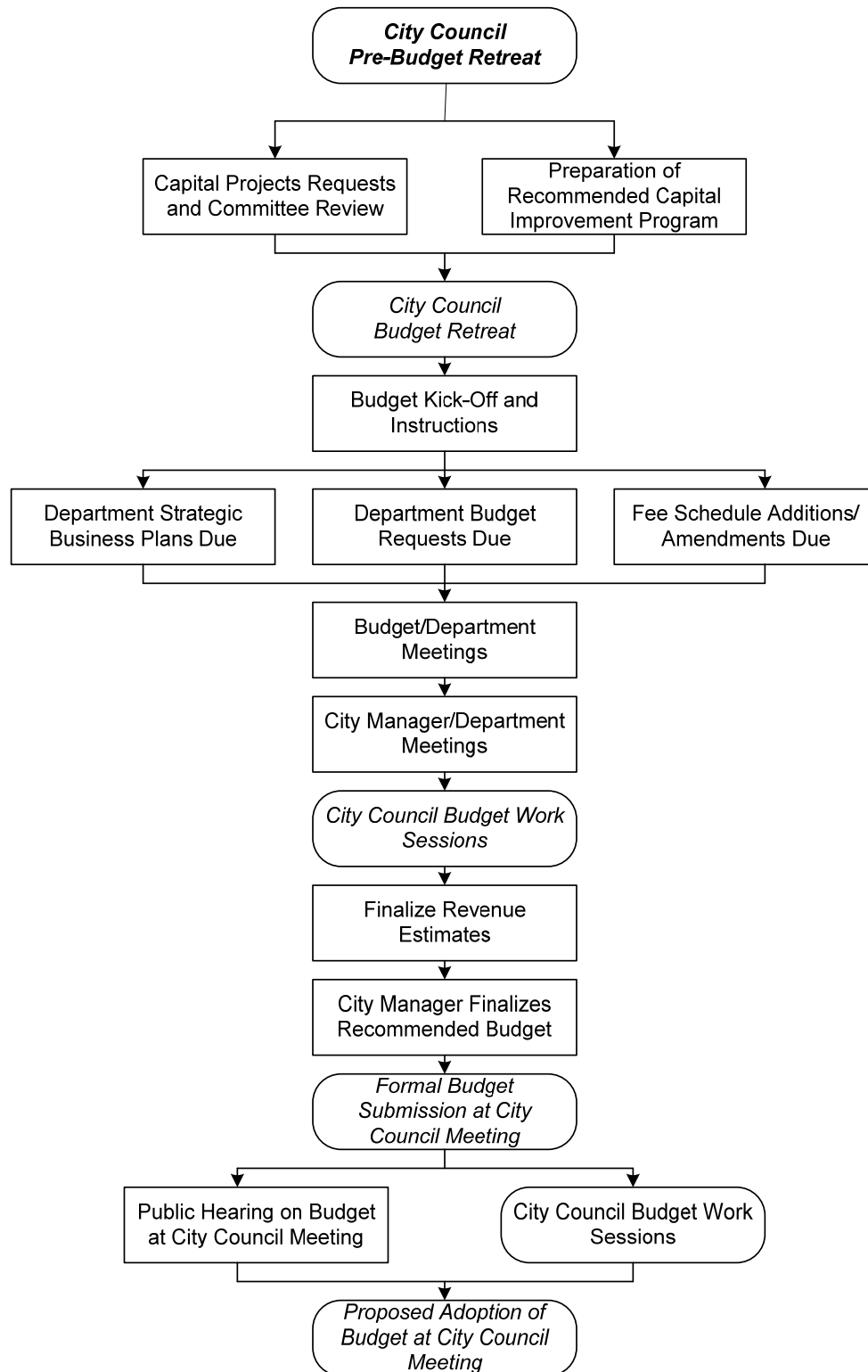
Proposed ordinance amendments are prepared by the administration and include a statement by the Finance Officer as to the availability of funds. A cover letter provides background information and the City Manager's recommendation on the proposed amendment. Ordinances require two readings for adoption.

Minor budget changes that do not affect the ordinances are submitted to the Budget Office at any time with an explanation of and justification for the change. All changes must be approved by the Budget Office. Changes in salaries or benefits are not permitted, except in rare instances, with prior approval by the Budget Office and by the City Manager.

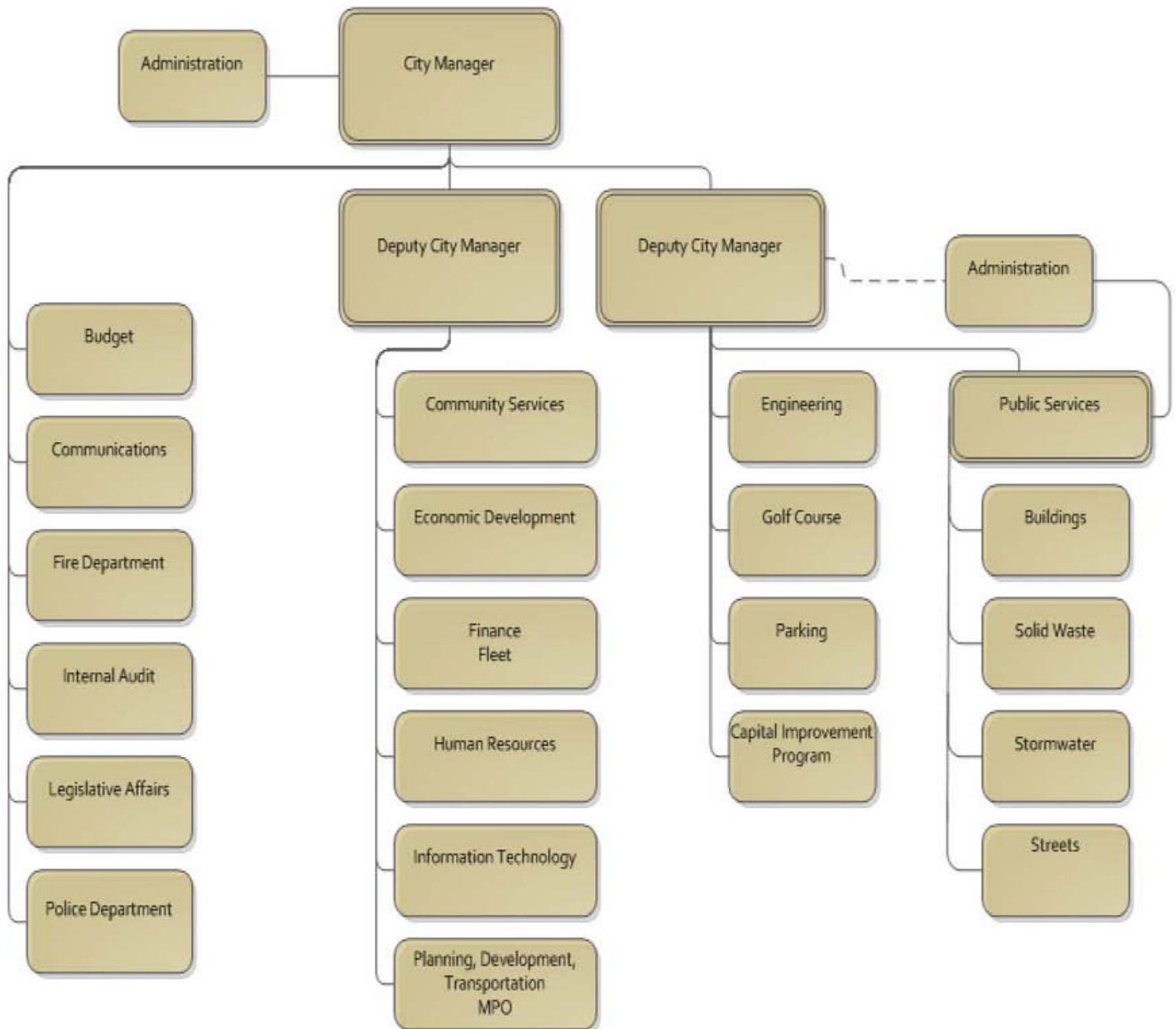
SCHEDULE OF EVENTS FOR THE PREPARATION OF THE FY 2015-16 BUDGET

City Council Pre-Budget Retreat	Nov 24
Capital Project Requests Due/Committee Review	Nov 28
Budget Kick-Off and Instructions	Dec 17
Preparation of Recommended Capital Improvement Program	Jan 13
Department Budget Requests Due	Jan 31
Requests for Fee Schedule Adjustments Due	Jan 31
Budget Office/Department Budget Meetings	Feb 16 - 27
City Manager/Budget Office/Department Budget Meetings	Mar 2 - 13
City Council Budget Work Sessions.....	Feb 2, Mar 16, Apr 27
Finalize Revenue Estimates.....	Apr 17
City Manager Finalizes Recommended Budget	May 1
Formal Budget Submission at City Council Meeting.....	May 19
Public Hearing on Budget at City Council Meeting.....	Jun 2
City Council Budget Work Session	Jun 8
Budget Adoption at City Council Meeting	Jun 2, 16

BUDGET PREPARATION PROCESS



ORGANIZATIONAL STRUCTURE



FINANCIAL MANAGEMENT POLICIES

These Financial Management Policies serve as guidelines for the preparation and operation of the annual budget. They are designed to complement the North Carolina Local Government Budget and Fiscal Control Act, recommendations of the Local Government Commission (LGC), the Government Finance Officers Association and the National Advisory Council on State and Local Budgeting. These policies were developed by Budget staff and were formally adopted by the City Council effective July 1, 2002 and amended effective June 4, 2013. These policies are used to frame major policy initiatives and are reviewed during each budget process to ensure continued relevance and to identify any gaps that should be addressed with new policies. These policies assist in maintaining the City's stable financial position and ensures that Council's intentions are implemented and followed.

REVENUE POLICIES

Revenue Diversity

- The City shall continue to provide adequate funds for stable operation of desired service levels through diversification of revenue sources to avoid over-reliance on any one revenue source and to maintain stable rates and fees.

Fees and Charges

- The City shall maximize user fees where possible in order to distribute the costs of municipal services to those who use the services; include users who may have tax exempt property; to avoid subsidizing where the service is not used by the general public, except where appropriate; and maintain charges that are equitable and efficient by capturing the costs to provide the service.
- All revenue sources will be reviewed on an annual basis, the levels of cost recovery will be reviewed, and the reasons for the subsidy will be reviewed.

Use of One-time Revenues

- Use of one-time revenues is limited to covering expenditures that temporarily exceed revenues, early debt retirement, or capital purchases that do not significantly increase ongoing operating expenses.

Property Tax Estimates

- The percentage collection of property taxes relative to the tax rate estimated in the budget must not be greater than the percentage of the levy realized in cash as of June 30 of the preceding fiscal year, in accordance with State law. This ensures a conservative estimate of property tax revenues.

- A dedication of \$0.0500 of the property tax rate will be restricted in the Debt Service Fund by Ordinance and evaluated in every revaluation year. This revenue is committed to pay for 80% debt and 20% pay-as-you-go funding for capital maintenance and new infrastructure needs.

Unpredictable Revenue

- Estimated revenues shall include only those reasonably expected to be realized during the fiscal year.
- Grant funding will be pursued and used for a variety of purposes. Application to apply will be reviewed and evaluated in advance for consistency with Council goals and compatibility with City programs and objectives. All new grants must be presented to Council for consideration before application is made. Any awarded funds will be accepted only after Council review and approval. Any changes in the original intended use of grant funds must be approved by the granting agency and City Council.

EXPENDITURE POLICIES

Balanced Budget

- The City shall prepare an annual balanced budget in accordance with the Local Government Budget and Fiscal Control Act, Generally Accepted Accounting Principles, and shall maintain excellence in finance and budgeting by meeting the standards necessary to achieve the Government Finance Officers Association's Distinguished Budget Award.
- Actual funds expended and received against budget will be reported to the City Manager and department directors on a monthly basis and City Council on a quarterly basis.

Evaluation and Prioritization

- Expenditures shall be reviewed by staff, the City Manager, and City Council prior to adoption, and continually monitored throughout the budget year. Priority will be given to expenditures consistent with the City's Strategic Plan, and those necessary to carry out the mandated and core services of the City.

Nonprofit Agencies – Competitive Process

- Funding for nonprofit agencies shall be considered on a competitive basis consistent with Council's priorities or with a departmental or City-wide mission, and with the City's Consolidated Plan. Any agency receiving over \$5,000 in any one fiscal year is required to complete a financial review. Any agency receiving over \$10,000 in any one fiscal year is required to complete a financial single-audit. Community Development Block Grant Funds will be allocated to public service agencies at the maximum percentage allowable by HUD regulations. General Funds will be allocated to public service agencies that complete the competitive process a total amount not to exceed ½ percent of the General Fund operating budget. No agencies will be considered for funding without an operational budget.

Nonprofit Agency – Non-Competitive Process

- Funding considerations for any nonprofit agency not considered through the competitive process in the recommended budget will require a formal budget request made to the City of Wilmington via the City Manager on or before March 31 annually.

RESERVES

Debt Service Fund

- The City shall maintain a Debt Service Fund and all accumulated revenues will be used towards debt service, debt administration and debt issuance.
- The City Council has adopted a levy of \$0.0500 cents of the General Fund property tax rate to be restricted in the Debt Service Fund for an 80% debt and 20% pay-as-you-go funding mechanism that will cover all projects within the five year Capital Improvement Plan. This rate will be adjusted as needed in future revaluation years.

Fund Balance

- The City shall maintain a minimum unassigned fund balance equal to 15-20% of the operating budget for each of the City's funds. Any portion of the unassigned fund balance in excess of 20% of budgeted expenditures may be appropriated for one-time "pay-as-you-go" expenditures. (Examples are, but not limited to: incentive agreements, capital improvements, computer systems and software). Unassigned fund balance is not a recurring revenue source of funds and should only be appropriated for non-recurring expenditures.

Contingency

- Reserves may be appropriated in operating budgets to a contingency account in an amount not to exceed 5% of the fund in order to meet unexpected increases in service delivery costs.

DEBT MANAGEMENT

Debt Model

- Debt Service models will be maintained for all debt and will identify the impact of future debt and the adequacy of designated resources.

Debt Service

- The total annual debt service paid on tax-supported debt shall not exceed 15% of the operating expenditures in the General Fund including inter-fund transfers.

Direct Net Debt

- The outstanding direct net debt will not exceed the NC statutory limit of 8% of the appraised property subject to taxation with an optimal level of less than 4%.
- Net General Fund debt per capita shall not exceed \$1,000.

Bonded Debt

- Capital projects financed through the issuance of bonds will be financed for a period not to exceed the expected useful life of the project.

Bond Rating

- The City will maintain its financial condition so as to maintain a minimum AA bond rating.

CAPITAL INVESTMENT POLICIES

- The City shall annually update and adopt a 5-year Capital Improvements Program (CIP) in conjunction with the Annual Operating Budget.
- A dedicated \$0.0500 of the property tax rate will be restricted to the Debt Service Fund for an 80% debt and 20% pay-as-you-go funding mechanism that will cover all projects within the five year plan. This rate will be adjusted as needed in future revaluation years.

- The City shall appropriate all funds for capital projects with an Ordinance in accordance with State statutes.
- Capital expenditures included in the CIP as a project will generally cost at least \$50,000 and have a useful life of at least 5 years.
- Capital projects financed through the issuance of bonds will be financed for a period not to exceed the expected useful life of the project.
- The capitalization threshold minimum for fixed assets is set at \$5,000. The threshold will be applied to individual fixed assets and will only be capitalized if they have a useful life of at least two years from the date of acquisition.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

- The accounting systems for the City will be compliant with the North Carolina Local Government Budget and Fiscal Control act and will be maintained to enable the preparation of financial statements that conform with generally accepted accounting principles (GAAP).
- Reasonable access to the financial system will be made available to department directors and other staff for the continuous monitoring of revenues and expenditures. Emphasis will be placed on internal budgetary and financial controls with regard to the financial system for the purposes of maintaining proper checks and balances.
- The City will have an annual independent audit performed by a certified accounting firm that will issue an opinion of the annual financial statements that are required by the Local Government Budget and Fiscal Control Act.
- The City will prepare a Comprehensive Annual Financial Report (CAFR) that will be provided to City Council and is in compliance with established criteria to obtain the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting and will be submitted to that award program each year.
- Full disclosure will be provided in all regulatory reports, financial statements and debt offering statement.



May 19, 2015

The Honorable City Council
And the Citizens of the City of Wilmington:

In accordance with §159-11 of the North Carolina General Statutes, I am pleased to present the *Recommended Budget* for the City of Wilmington for the fiscal year beginning July 1, 2015 and ending June 30, 2016.

The total net budget for FY 2015-16 is \$144,109,427 and represents a 2.8% decrease from the current adopted budget of \$148,123,932, partly due to containment of operational costs and reduced capital appropriations. The current FY 2015 appropriations for capital projects represent two years' of costs, as planned to complete projects as quickly as possible. Therefore, no appropriations other than Storm Water are requested, thus lowering our total city-wide budget for FY 2015-16. The General Fund is the largest component of this total with expenditures of \$94,708,342, an increase of 3.9% or \$3,575,122 over the current adopted amount of \$91,133,220. The approval of this budget will require a 2.5 cent tax increase to the ad valorem rate creating a total tax rate of 48.5 cents. This rate will support General Fund expenditures for funding core services and the transportation projects approved by the voters this past November which requires a tax increase of 2 cents by itself.

It is recommended that the "rainy day fund", General Fund Balance be tapped for certain one-time expenses that total \$1,150,446 to balance this budget. This amount is approximately \$540,466 more than the amount appropriated in the adopted budget for FY 2014-15. The unassigned General Fund balance at June 30, 2016 is expected to be \$28,245,399 or 29.82% of FY 2016 projected expenditures. Our Financial Policies state that fund balance is a rainy day fund only to be used for unanticipated, one-time activities or purchases. The City's General Fund balance remains healthy and well above the target of 15-20 percent with this recommended budget.

The Economy

Our local economy is improving. However, we are struggling to make up for the \$2.3 million in revenue from the NC General Assembly's tax reduction to businesses through the elimination of the local business privilege license fees, effective in FY 2016. As of this printing, this budget is without the new revenue stream to local governments promised by the state to replace the loss of local business license tax receipts of prior years. We are having to address this revenue loss while at the same time address additional infrastructure and programmatic needs our citizens have told us are top priority. Our biennial Citizen Survey, soon to be released, reveals that increased street maintenance and improved traffic flow remain the major concern for our citizens along with public safety. This budget reflects those priorities. Growth has provided an increase in our tax base and that increase is largely offset by the loss of privilege license fees of \$2.3 million. If not for that loss in recurring revenues, this budget would only require the 2 cents for the Transportation bond that citizens approved overwhelmingly this past November.

A new City Budget for Fiscal 2016 will need to be adopted by the City Council by July 1, 2015. This recommendation and the likely Council action may be further stymied by pending State action that would divert more local Wilmington sales tax revenues away from our community to other areas across the State. We have expressed our alarm to our delegation and others and we are hopeful of retaining local sales tax receipts, collected in our City, to help offset our infrastructure and service costs, e.g., roads, traffic management, police and fire services to facilitate commerce. Other urban areas across the state are similarly impacted and we are hoping any potential adverse action will not occur. If it does, we would have no recourse but to either propose a greater tax increase or a reduction in services.

According to Joe Brusuelas, Chief Economist at McGladrey LLP, improvement in fundamentals will result in "broad-based economic activity driven by the expansion of the small and middle market firms that make up the real economy." This is good news for the City of Wilmington. NerdWallet, a financial analytics internet firm, recently analyzed 183 metropolitan areas and Wilmington came in 2nd place, behind Boulder, Colorado, as the best place to start a business. "A growing population, strong tourism industry and proximity to the beach makes this port city ideal for businesses," is a direct quote from their website.

Approximately 900 of those businesses are downtown, and with 15 businesses for every 100 people, Wilmington has the highest volume of businesses in the top 10 metropolitan areas. Our City remains steadfast in its commitment to assist in the survival of start-up and new businesses as they pursue prosperity.

The construction of the highly anticipated hotel associated with the Convention Center will soon add to the work zone created on the Northern Waterfront as condominiums, retail space and a marina are also privately developed. The City has also benefited from the economic expansions of three local businesses. Vertex will bring over 1300 jobs to the area and Live Oak Bank and Castle Branch continue to thrive and grow with the assistance of our incentive program. Other planned and in progress private construction activity provides additional evidence of a rebounding local economy.

This recommended budget continues to recognize certain signs of improvement in our economy such as the continued increase in job gains, the resurgence in local tourism and the steady demand for housing, all contributing to a slow, but steady economic recovery. Our forecasted increase in sales tax collection of 3% reflects the steadily increasing revenues over the past four years. Our property tax growth of 2% for FY 2016 is a significant indication of the positive trend in the real estate market as multi-family, hotel and office construction continue to expand our tax base.

Budget Preparation

Every department in the City contributed to the overall goal of recommending a budget that incorporates a fiscally responsible plan for the continuation of basic quality services by our employees.

Departments were charged with submitting an operating budget not to exceed the current funding level for FY 2015. Every department in the City complied with the budget directive and requested essentially flat budgets. However, mid-year approvals of personnel, vehicles and equipment for the Police Department necessitated significant increases to their budget. The implementation of the construction projects in the Transportation bond required additional personnel such as construction managers, a survey project manager, and a contract specialist in Purchasing as well as computers, phones, vehicle and other equipment.

Additional staff will help get work done within 5-7 years to address the priorities of our citizens.

Due to employee wellness initiatives and improved health claims experience, we are able to hold our health insurance premiums flat as well as decrease dental premiums and improve coverage. By the end of FY 2016 we will have sufficient data from our health care provider and clinic regarding health management that will assist us in evaluating the effectiveness of our wellness efforts.

I appreciate the extensive feedback and direction you, as members of City Council, have provided in shaping the recommended budget through a series of budget work sessions leading up to this time.

Budget Highlights

Retain core services (services and programs aligned with the City's Strategic Plan)

This recommended budget continues funding for current services and programs that support the City's Strategic Plan and specifically those initiatives that will advance the six areas identified as the primary focus areas of Council's vision for the City. While we await completion of the Comprehensive Plan of Development, Council will have the opportunity to refresh the Strategic Plan and affirm the overall direction.

In response to succession planning challenges, and the expanded commitment to upgrading streets and other capital projects, this recommended budget includes the restructuring of the organization which impacts the City Manager's office, Community Services, Public Services and Capital Project administration. The new organizational structure will provide both challenges and opportunities for employees. The City will need to immediately rent downtown office space in order to provide for the space needs associated with the restructuring and related operational needs, while we pursue a permanent, expanded facility adequate for the long term office space needs of the City.

The recommended budget anticipates continued collaborations with New Hanover County on the implementation of priority Garner Report recommendations, the feasibility of a joint public safety pistol range and the potential re-institution of a New Hanover County Human Relations Commission for more proactive community outreach.

Today, 108 of our almost 1,000 employees are eligible to retire within the next five years with over 17 of those being at higher level management in the City. We must now make an extra effort to recruit, retain and develop new talent in order to continue the services provided to the community. Some ten years ago, we were faced with a similar challenge and used succession planning strategies to get through that difficult time. We need to re-double our efforts beginning now. Succession planning initiatives contained in this budget include expanded employee development and training (internal and external), job shadowing and a program of expanded use of the UNCW talent pipeline into the organization through a newly created fellowship program. These actions, coupled with over-hires and back filling positions, when possible, will be tools used to develop new institutional knowledge from the top to the bottom of our organization.

Achieve market employee compensation in order to attract, retain, and motivate qualified employees

As a priority, this recommended budget reflects the priority of continuing a multi-year compensation strategy that pays market wages to employees doing similar jobs in the current labor market. Four percent of wages is included in this budget to be distributed to employees according to a plan that will be sustainable for the future.

The pay proposal for 2016 will be the next step in our long term commitment to improve employee pay overall and make our pay ranges competitive with the market. Continuing on last years' progress we will move the ranges slightly to remain competitive, have an across the board increase, a 'step' increase for those below the market rate and have a merit pool available to all employees whose performance exceeds expectations. All three components will have a minimum increase of 1.5% for all eligible employees. The recommended budget for this portion of the pay plan is 4% of actual wages plus associated benefits, adjusted downward for normal employee turnover.

Youth Violence/Crime Reduction Efforts

In an effort to reduce youth violence in the community, Council approved the funding of a Gang Investigative Unit in the Police Department in FY 2014 as well as the Mobile Field Force unit. In FY 2015 Council approved 8 additional detectives with equipment and vehicles for more timely case management. This recommended budget also includes funding

for these public safety efforts as well as community outreach programs and continued community engagement efforts by the Police Department. The continued funding of these crime reduction initiatives will consume a significant portion of the forecasted increase in revenue for FY 2016.

Also included in the recommended budget are funds that will be used to reduce youth violence through financial support for prevention, intervention and rehabilitation programs.

The proposed budget includes:

- 2nd year commitment of full funding at the ½ of 1% financial target to various nonprofits and specifically those that serve the children and youth population;
- collaboration with Kids Making It to provide a limited summer jobs program, with details being developed
- the allocation of funding to nonprofits based on their demonstrated performance;
- continuation of youth centered programming at City recreation centers through partnerships with nonprofits;
- continued support for local jobs, particularly for the re-entry of ex-felons into the community.

Nonprofit Agencies

Fiscal year 2016 is the second year of the biennial funding commitment to programs and services provided by local nonprofit agencies. Last year's competitive funding process identified seventeen public service agencies to be funded \$523,894 from the General Fund. Community Development Block Grant funds in the amount of \$178,390 will also fund these agencies. Funding for these agencies complies with Council's directive to fund up to .5% of the General Fund expenditure budget.

Civic development partner agency appropriations were also competitively reviewed resulting in a recommendation to fund four local organizations:

Wilmington Arts Council - \$20,000

Cape Fear Future - \$20,000

Cucalorus Film Festival - \$20,000

Wilmington Jewish Film Festival - \$2,000

Funding is also provided for the UNCW Center for Innovation and Entrepreneurship as well as a continuation of our contractual obligations with Wilmington Business Development, Wilmington Downtown, Inc. and the Wilmington Regional Film Commission.

Continuation of 5-year infrastructure improvement plan for fourth year

Streets and sidewalk projects, facilities, infrastructure maintenance and park improvements and maintenance continue to be funded through the implementation of the 5-year capital improvement plan. This budget continues the allocation of 5 cents on the tax rate to support this plan. As originally planned, no appropriations are required in Fiscal Year 2015-16. The funding of the Capital Improvement Plan was accelerated to provide two years of funding in fiscal years 2013 and 2015 with the remaining funds to be appropriated in 2017. The only appropriation for capital projects requested in this budget is \$1,000,000 for annual storm drain rehabilitation in the Storm Water Enterprise Fund.

In order to maintain the current 5-year infrastructure improvement plan, the debt service recommended allocation is \$9.3 million or 9.8% of the total General Fund budget. It includes the payment of principal and interest costs for already approved and recommended capital projects.

Continuation of the implementation of the SOG Strategic Plan recommendations for Information Technology:

The current budget continues funding several Information Technology projects such as the city-wide software upgrade to standardize equipment and applications. Several departments requested additional licenses to operate our GIS (Geographic Information System) software and in an effort to utilize resources wisely, an enterprise application is funded that will cost less than the individual licenses. Funding is also provided for the development of a disaster recovery process and the continued re-design of the city's website.

Economic Development Incentives

As the City invests in capital projects such as the Water Street Deck re-development and the Northern Downtown Riverfront development, we are realizing the dividends from those investments. Increased economic development efforts have resulted in improvements to our local economy through job creation, rising property values and more consumer spending.

Contractually negotiated incentive payments to businesses, approved by City Council, totaling \$225,000 are funded in this budget.

Partnerships

The City has entered into several mutual aid agreements and partnerships with New Hanover County and will continue to investigate ways to improve service delivery to both City and County residents. The S.A.B.L.E. helicopter program, the Emergency Operations Center and the 911 call center are examples of cooperative efforts to provide services. Continuation of City support for programs such as Safelight, school resource officers, recreation programs, and other cooperative efforts with New Hanover County is recommended.

The City is also exploring the maintenance of select New Hanover County fire vehicles by the City's fire fleet maintenance staff and incorporating the existing City fire fleet maintenance into central City fleet maintenance operations.

Budget Details

The recommended budget benefits from the rebounding local economy, specifically the increase in property values and sales tax growth to the point that were it not for the loss of over \$2.3 million in privilege license taxes, the budget would have been balanced.

The recommended budget does not anticipate any other major shifts in State financial support or diversion of local revenues collected at the State level and remitted to balance our budget, though specific bills have been introduced that would achieve this. As you know, to date there continues much discussion on the matter of tax reform. However, we are hopeful that "cities and counties will be held harmless". Otherwise, our whole financial plan will have to be re-constructed.

Revenues

The projected revenues from ad valorem taxes, including previous year payments, interest and penalties total \$55,440,267, representing 59% of the total General Fund budget. We continue to be very conservative in our projections of local revenue generated by fees, permits and fines. The sales tax projection of \$22,036,474 represents approximately 23% of the total General Fund revenues. The projected sales tax is 3% over the current year's growth

of 10% and is based upon a strengthening economy, but is tempered by the uncertainty of a redistribution of sales tax revenue by proposed legislation.

Revenue projections for telecommunications services taxes, utility franchise taxes, beer and wine taxes and video programming are essentially maintained at the FY 2015 level. These revenues are conservative in light of the uncertainty regarding the continuation of intergovernmental revenues from the State.

Unassigned General Fund Balance

Included in this recommended budget is the use of unassigned General Fund for capital purchases of equipment, furniture, a vehicle, and the leasehold improvements of office space related to the staffing support of the projects approved in the Streets and Sidewalks bond. The use of fund balance also includes the purchase of a wheel loader and knuckle boom truck, Police and Fire vehicles and the hiring of a consulting firm for the new Land Development Code. Sufficient fund balance must be maintained for unanticipated events such as the winter ice storms of early 2014, which required over \$1,700,000 from the General Fund for debris removal.

Recommended Budget Includes:

- Recommended tax increase of 2 cents for the hard costs of construction for the 2014 Transportation Bond
- Funding of 3rd year of the multi-year employee compensation to market strategy
- Full year's funding of WPD 8 detective positions with vehicles and equipment
- Public Services, Finance and City Manager's Office: additional staffing in support of Transportation bond projects to help get the projects done more quickly and efficiently with the goal of completing almost 40 projects within 5-7 years
- Program initiatives for reducing teen violence via expanded operation of facilities and partnerships with area nonprofits
- One new position in Information Technology in response to the assessment of technology challenges facing the City via UNC Institute of Government
- Funding for the elimination of the tree pruning and removal backlog
- Installation of GPS units in the City's vehicle fleet, the cost of which is expected to be recovered in one year

- \$50,000 funding to the Cape Fear Council of Governments as lead agency of the Continuum of Care program to end homelessness
- City storm water fee increase of \$174,162 for the additional costs for storm water maintenance on City properties
- Economic incentive agreement payments totaling \$225,000
- Second year of competitive funding for general agencies in the amount of \$523,894 from the General Fund, an increase of \$151,171 over the Fiscal Year 2014 adopted funding
- Competitively based contributions to civic partnerships for economic development in the amount of \$132,000 from the General Fund
- A retention of \$100,000 appropriated in FY 2015 for future affordable housing and rehab efforts
- WAVE transit subsidy recommended is \$1,289,000, with the final payment of additional \$157,822 to establish a fund balance
- Fire Department: 3 vehicles, thermal imaging camera, turn-out gear totaling \$131,200
- Police Department: 4 vehicles, community initiatives, training, maintenance agreements, printers for patrol cars, equipment for the Forensic Laboratory totaling \$368,505

The City of Wilmington serves as the Lead Planning Agency for the Metropolitan Planning Organization. The Wilmington Urban Area has exceeded 200,000 in population which designates the MPO as a Transportation Management Area (TMA). The Fiscal Year 2016 City match portion of \$113,235 combined with the unallocated costs transfer totals \$395,654, an increase in the funding of over \$100,000.

Recommended Budget Does Not Include:

A number of worthwhile service expansions and new requests were requested and reviewed as part of our efforts to propose a frugal and focused spending plan for next year. We have attempted to balance Council's priorities with resources available, minimizing the impact on our citizens and taxpayers. I hope you will find this proposal that has been developed with your guidance achieves that. For example, additional requests from various City departments that are not included total over \$1.1 million.

Enterprise Funds

Solid Waste has requested the establishment of an activation fee of \$25 for all new customer accounts. Also requested is the replacement of 88 cigarette receptacles in the CBD to improve the appearance of the downtown area as well as greatly improve the efficiency of the daily cleaning workload, freeing crews to spend more time pressure washing sidewalks and cleaning restrooms. Included in the budget is a curbside electronic collection program to address the escalating problem of old televisions, electronics and computers being left in City right of ways, creating illegal dump sites. FY 2016 operations will require the use of \$309,574 from the unassigned fund balance to produce a balanced budget. The unassigned fund balance is anticipated to be \$1,671,195 or 17.97% of FY 2016 projected expenditures.

The Storm Water Fund rate model requires a 6% rate increase to fund expenditures, which includes a transfer to the Capital Improvement Plan of \$1,000,000 for annual storm drain rehabilitation. The unassigned fund balance in the Storm Water Fund as of June 30, 2016 is expected to be \$7,556,040 or 78.42% of FY 2016 projected expenditures. However, due to the capital intensive nature of the Storm Water Management Program, a higher balance than normal is a good financial indicator.

Parking in the City of Wilmington is a high priority for residents, tourists, and businesses especially in the downtown area. Key factors in the success of the parking program are an improving economy, moderate weather and no natural or man-made disasters.

The Park Wilmington office space has reached full capacity with expanded services in the parking decks and new technology systems over the past few years. Additional space is needed for parking personnel and expansion can be accomplished by altering the WPD gang task force office space within the Market Street parking deck. Parking management will work with the Police Department to balance their need to remain in the Central Business District and the need of our customers to feel safe downtown and in our parking decks.

The Parking Fund's unassigned fund balance is projected to be approximately \$3,303,851 or 94.74% of FY 2016 budgeted expenditures. There is no anticipated use of fund balance for the FY 2016. A slight fee adjustment at the Convention Center Deck is proposed to offset the cost to support its unique operations.

Municipal Golf Course rates are recommended to increase in FY 2016. The Muni restoration project is complete and the revenues continue to increase since the reopening of the course. In order to fund the improvements, rates increased on average by 35% in 2015 and are scheduled to increase an average of 10% in FY 2016, however no use of unassigned fund balance is anticipated. The unassigned fund balance in the Golf Fund as of June 30, 2016 is expected to be \$300,981 or 22.70% of FY 2016 projected expenditures. If rates are not adjusted this next year, the fund will dip below minimum standards established to absorb unforeseen events and require a higher rate increase in future years.

COMMITMENT

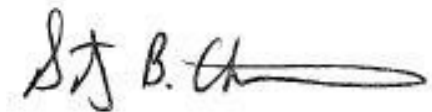
The City is committed to creating financial resiliency in preparation for the opportunities we will face in the years to come. As the General Assembly convenes and deliberates the future of our intergovernmental revenues and our ability to preserve our revenue sources, we will remain flexible and proactive in our efforts to maintain quality services. We will continue to challenge each other and our systems, policies and methods of operation. We will continue to engage all employees in our efforts to make sure the way we provide services to citizens and conduct our internal business is the best that we can do.

In closing, I would like to commend the efforts of the City Council for their guidance in the preparation of this budget and for their commitment to quality services for our community.

I would also like to commend City departments who worked tirelessly and shared in the burden of preparation of this very challenging budget. I would like to especially thank the Budget staff for their extra effort in putting this recommended budget together.

We look forward to working with City Council as you consider this recommended budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "St B. Cheatham", with a long horizontal flourish extending to the right.

Sterling B. Cheatham
City Manager

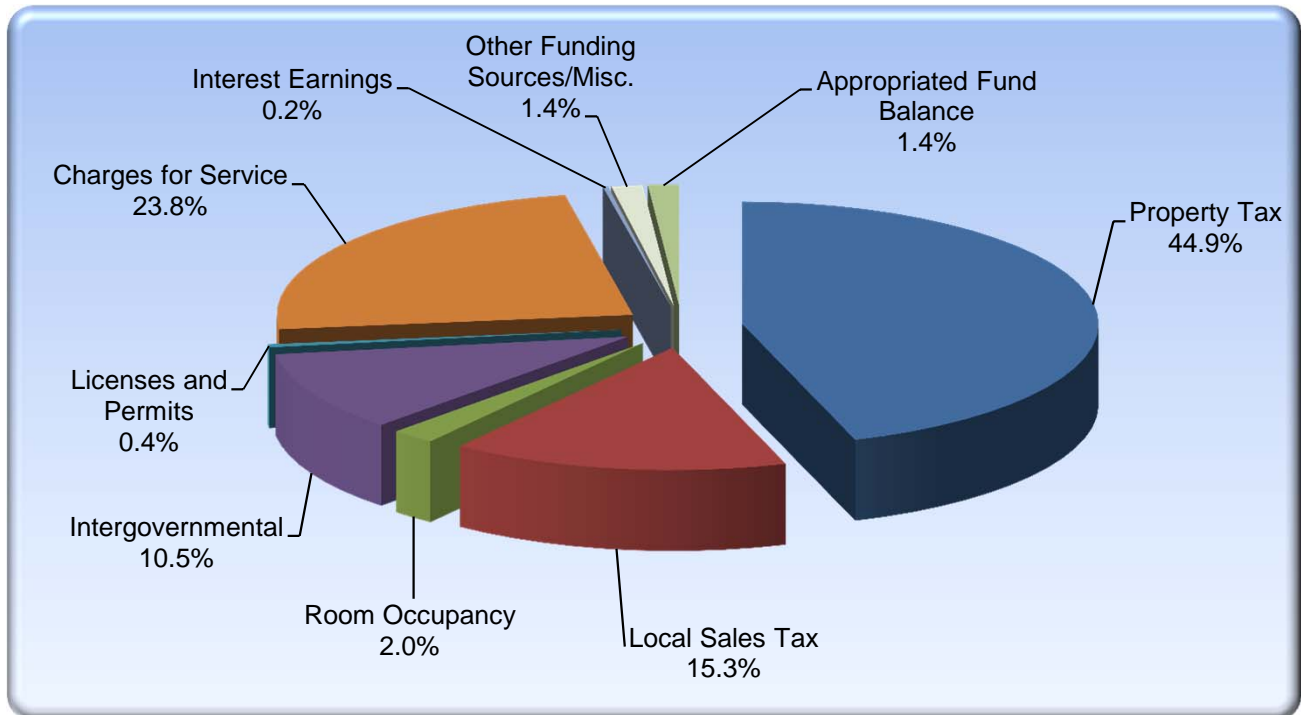
REVENUE AND EXPENDITURE SUMMARY

	REVENUES			EXPENDITURES		
	Total Revenues	Less Approp Fm Other Funds	NET Revenues	Total Expenditures	Less Approp To Other Funds	NET Expenditures
OPERATING FUNDS						
General Fund	94,708,342	-	94,708,342	94,708,342	10,723,783	83,984,559
Storm Water Mgmt Fund	9,635,262	-	9,635,262	9,635,262	1,000,000	8,635,262
Solid Waste Mgmt Fund	9,299,486	-	9,299,486	9,299,486	-	9,299,486
SUBTOTAL	113,643,090	-	113,643,090	113,643,090	11,723,783	101,919,307
PROGRAM FUNDS						
Special Purpose Fund	3,673,138	724,855	2,948,283	3,673,138	945,399	2,727,739
CDBG Fund	886,596	-	886,596	886,596	454,119	432,477
CDBG/HOME Grant and Loan Fund	707,159	707,159	-	707,159	-	707,159
HOME Partnership Fund	689,437	-	689,437	689,437	68,944	620,493
Parking Facilities Fund	3,487,408	247,721	3,239,687	3,487,408	-	3,487,408
Golf Course Fund	1,497,968	-	1,497,968	1,497,968	-	1,497,968
Fleet Maintenance & Replacement Fund	6,244,942	-	6,244,942	6,244,942	-	6,244,942
Convention Center Fund	4,191,258	945,399	3,245,859	4,191,258	-	4,191,258
Technology Replacement Fund	970,115	480,000	490,115	970,115	-	970,115
SUBTOTAL	22,348,021	3,105,134	19,242,887	22,348,021	1,468,462	20,879,559
DEBT SERVICE FUNDS						
Debt Service Fund	20,558,282	9,334,832	11,223,450	20,558,282	247,721	20,310,561
CAPITAL PROJECT FUNDS (Net of Debt)						
Streets & Sidewalks	-	-	-	-	-	-
Storm Water/Drainage	1,000,000	1,000,000	-	1,000,000	-	1,000,000
Parks & Recreation	-	-	-	-	-	-
Public Facilities	-	-	-	-	-	-
Parking Facilities	-	-	-	-	-	-
Golf Course	-	-	-	-	-	-
SUBTOTAL	1,000,000	1,000,000	-	1,000,000	-	1,000,000
TOTAL ALL FUNDS	157,549,393	13,439,966	144,109,427	157,549,393	13,439,966	144,109,427

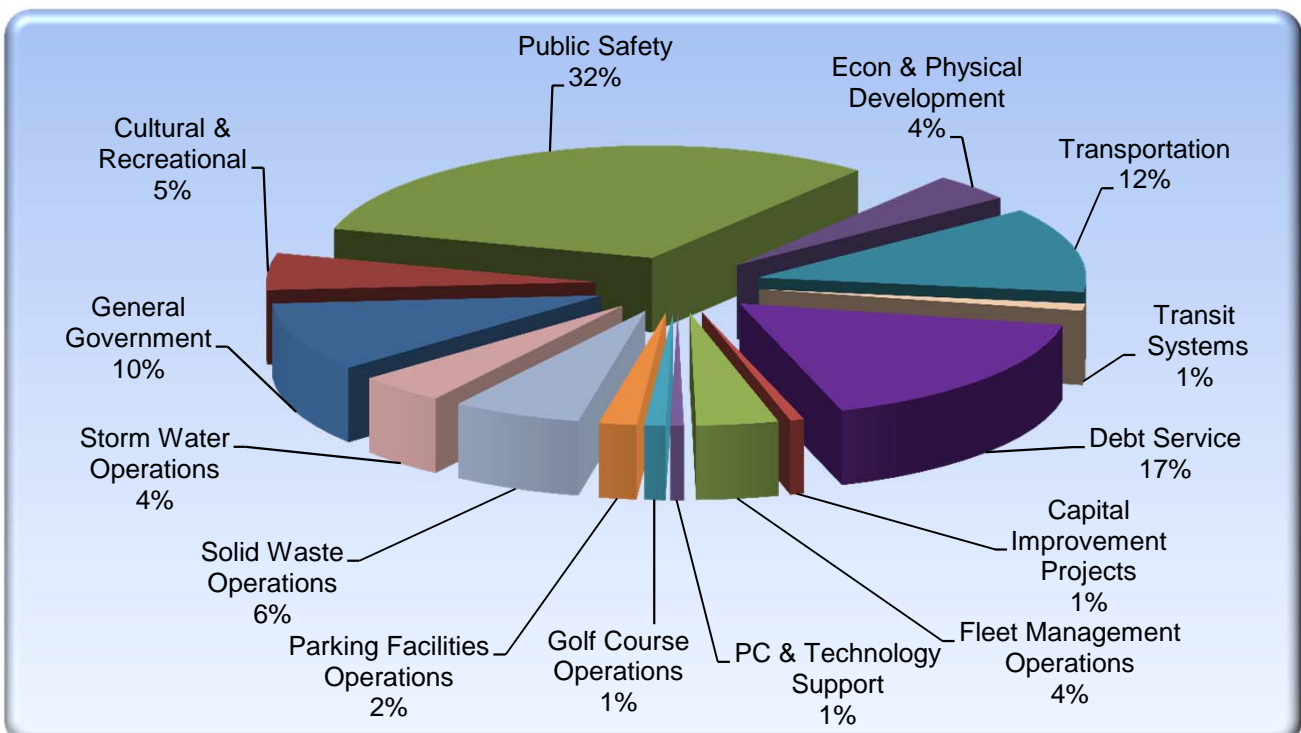
TOTAL BUDGET SUMMARY (Net of Interfund Transfers)

	FY 13-14 Actuals	FY 14-15 Adopted	FY 15-16 Recommended	% Change FY 2014-15 to FY 2015-16
REVENUES				
Property Tax	59,403,121	59,934,243	64,655,366	
Local Sales Tax	19,392,883	19,548,312	22,026,474	
Room Occupancy Tax	2,771,391	4,990,122	2,906,279	
Intergovernmental	22,449,096	19,376,462	15,171,074	
Licenses and Permits	3,092,735	2,307,459	604,808	
Charges for Service	32,457,360	33,614,628	34,325,336	
Interest Earnings	462,544	213,933	353,411	
Miscellaneous	1,765,531	941,885	2,026,699	
Other Long Term Liabilities	3,109,359	3,040,000	-	
Appropriated Fund Balance	-	2,609,736	2,039,980	
Future Pay-Go - Debt Service Fund	-	1,547,152	-	
TOTAL	144,904,020	148,123,932	144,109,427	-2.7%
EXPENDITURES				
General Government	15,943,288	13,641,555	14,347,234	
Cultural & Recreational	10,484,545	7,443,339	7,665,779	
Public Safety	42,270,534	43,830,743	45,553,908	
Econ & Physical Development	4,597,613	6,125,723	5,773,065	
Transportation	23,000,274	16,466,380	17,695,555	
Transit Systems	1,285,000	1,442,822	1,442,822	
Debt Service	24,046,263	26,055,884	24,372,939	
Capital Improvement Projects	3,067,929	4,516,261	1,000,000	
Fleet Management Operations	3,870,321	8,398,013	5,801,737	
PC and Technology Support	705,714	1,392,825	970,115	
Golf Course Operations	1,191,595	1,325,800	1,497,968	
Parking Facilities Operations	1,836,941	2,166,282	2,671,847	
Solid Waste Operations	10,160,799	9,224,232	9,102,798	
Storm Water Operations	5,060,266	6,094,073	6,213,660	
TOTAL	147,521,082	148,123,932	144,109,427	-2.7%

Total City Revenues FY 2015-16
(Net of Interfund Transfers)



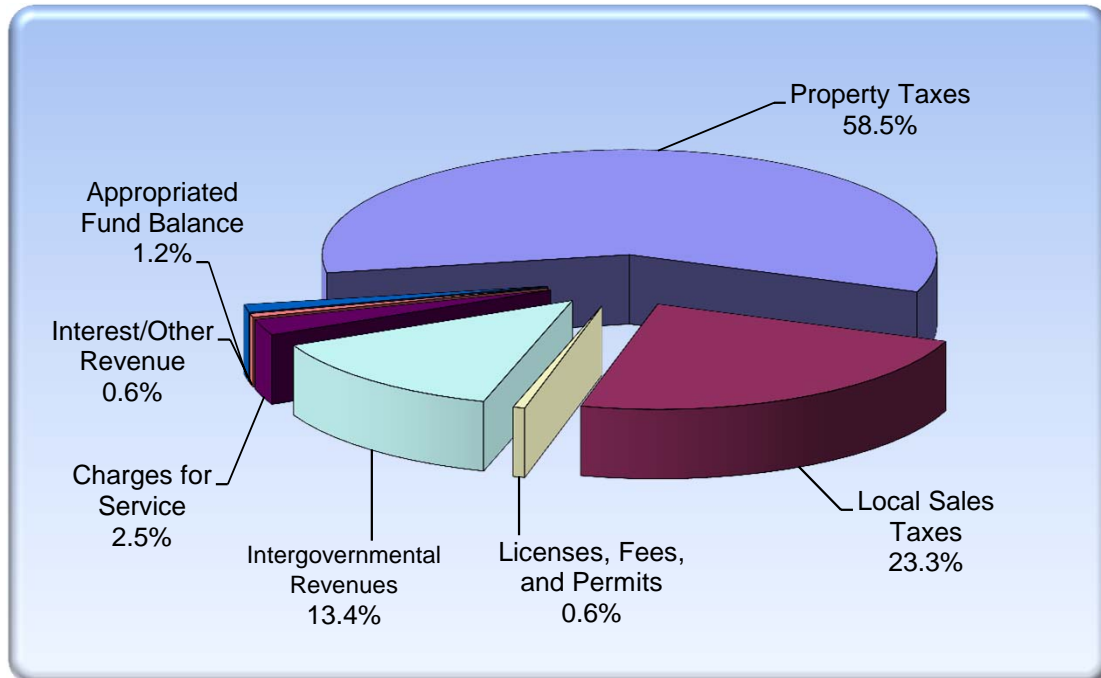
Total City Expenditures FY 2015-16
(Net of Interfund Transfers)



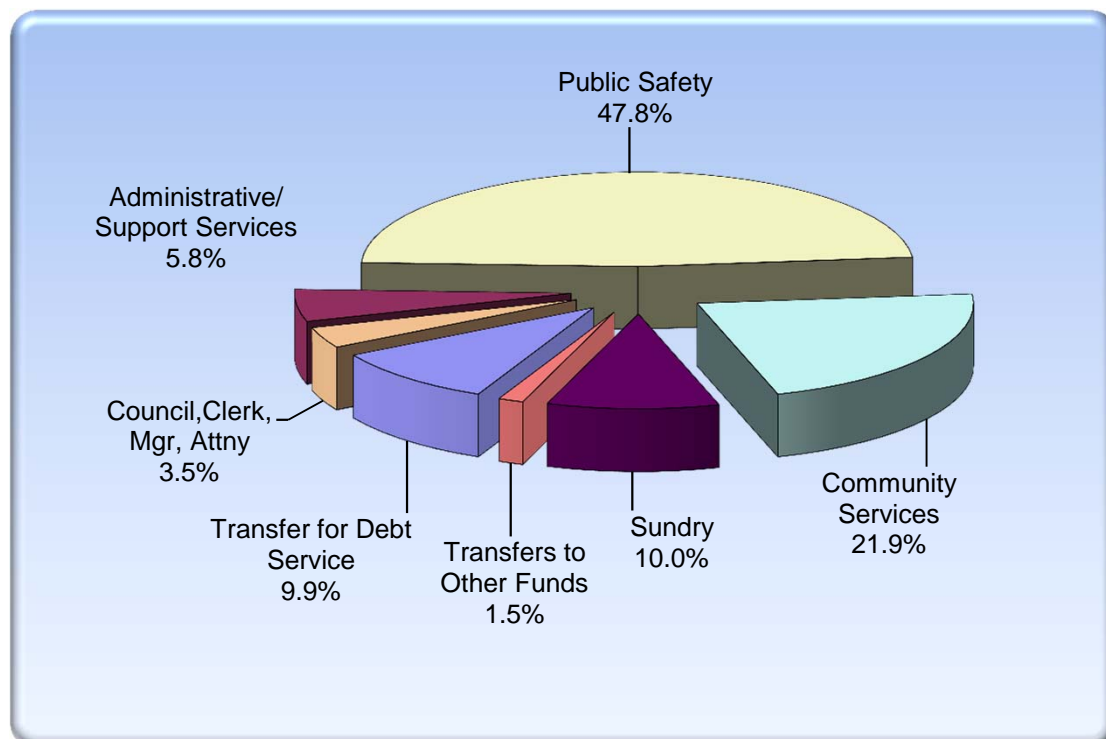
GENERAL FUND BUDGET SUMMARY (Including Interfund Transfers)

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
REVENUES					
Property Taxes	52,847,570	53,546,882	53,546,882	55,440,267	
Local Sales Taxes	19,392,883	19,548,312	19,548,312	22,026,474	
Licenses, Fees, and Permits	3,092,735	2,307,459	2,332,459	584,808	
Intergovernmental Revenues	12,425,865	12,494,323	12,548,527	12,655,329	
Charges for Current Services	2,517,366	2,321,801	2,382,844	2,329,887	
Fines and Forfeitures	253,712	133,700	133,700	133,700	
Interest Earnings	181,472	100,143	100,143	204,358	
Other Revenue	536,592	70,600	652,023	183,073	
Appropriated Fund Balance		610,000	1,987,843	1,150,446	
Total	91,248,195	91,133,220	93,232,733	94,708,342	3.9%
EXPENDITURES					
Governance					
City Council	175,738	204,092	204,142	214,557	
City Clerk	185,787	242,162	242,921	248,137	
City Manager	1,562,725	1,698,940	1,729,235	2,025,603	
City Attorney	756,153	834,651	859,521	862,310	
Human Resources	677,100	749,466	749,125	798,086	
Finance	1,456,681	1,873,232	1,898,411	2,071,559	
Information Technology	2,071,672	2,283,568	2,287,734	2,299,737	
Community Services	6,598,293	7,443,339	7,587,553	7,654,779	
Planning, Development &					
Transportation	4,762,275	5,113,936	5,160,260	5,430,474	
Police	25,983,207	26,922,382	27,049,929	28,237,580	
Fire	15,072,451	16,578,560	16,711,442	16,996,383	
Public Services	6,428,053	7,153,863	7,168,563	7,627,505	
Sundry	7,300,748	9,021,866	9,806,866	9,317,849	
Contingency	-	150,000	74,561	200,000	
Transfers to Other Funds	15,658,923	10,863,163	11,702,470	10,723,783	
Total	88,689,806	91,133,220	93,232,733	94,708,342	3.9%

**General Fund Revenues FY 2015-16
(Including Interfund Transfers)**



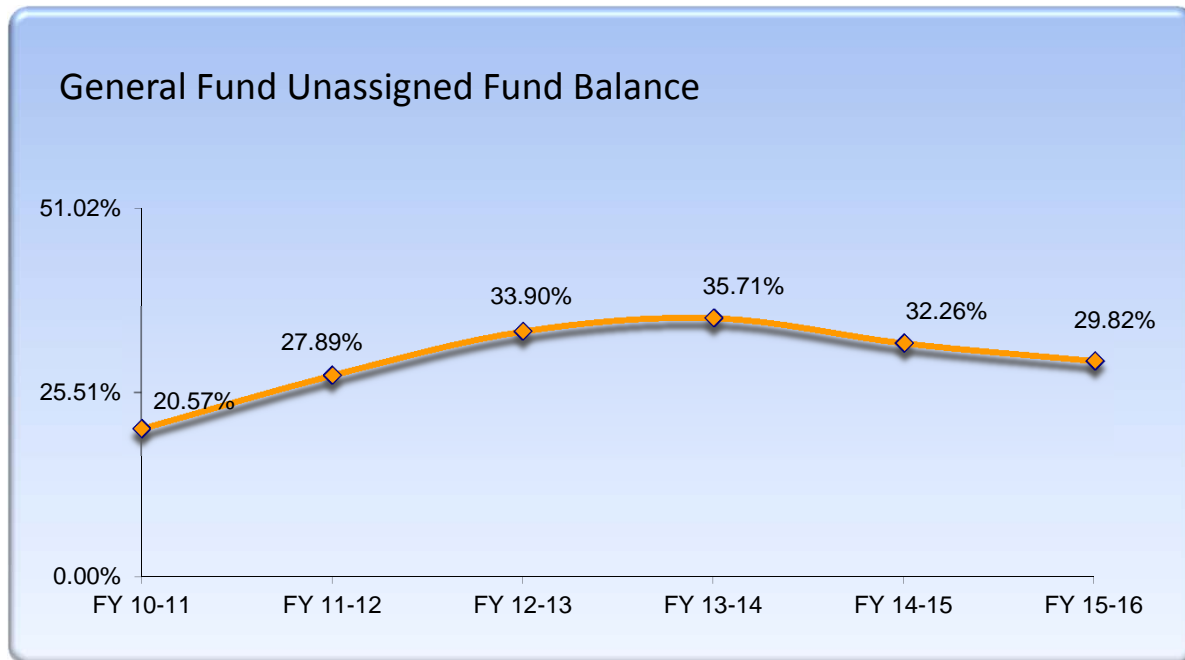
**General Fund Expenditures FY 2015-16
(Including Interfund Transfers)**



CONSOLIDATED UNASSIGNED FUND BALANCE SUMMARY

Fund	Unassigned Fund Balance As of June 30, 2014	Anticipated Unassigned Fund Balance June 30, 2015	FY 15-16 Budgeted Expenditures	% of FY 15-16 Budgeted Expenditures	Anticipated Unassigned Fund Balance June 30, 2016	% of FY 15-16 Budgeted Expenditures
General Fund	31,383,688	29,395,845	94,708,342	31.04%	28,245,399	29.82%
Solid Waste Management Fund	2,495,775	1,980,769	9,299,486	21.30%	1,671,195	17.97%
Storm Water Management Fund	7,776,939	7,556,040	9,635,262	78.42%	7,556,040	78.42%
Golf Course Fund	988,755	657,652	1,497,968	43.90%	657,652	43.90%
Parking Facilities Fund	3,633,159	3,303,851	3,487,408	94.74%	3,303,851	94.74%

The anticipated unassigned fund balance as of June 30, 2015 includes any FY 15-16 appropriations. The unassigned fund balance for FY 2015-16 assumes receipt of budgeted revenues and use of all budgeted expenditures.



Fund balance is the accumulated excess of revenues and other financing sources over expenditures and other financing uses for governmental functions. **Unassigned** fund balance is the residual classification for the government's General Fund based on GASB (Governmental Accounting Standards Board) Statement #54 and includes all spendable amounts not contained in other classifications.

AUTHORIZED POSITION LISTING

The authorized position listing summarizes the net changes in positions for the fiscal years 2013-14 through the FY 2015-16 budget.

	2013-14 Actual	2014-15 Adopted	2014-15 Adjusted	2015-16 Recommend
City Clerk	3	3	3	3
City Manager	16	16	16	17
City Attorney	9	9	9	9
Human Resources	8	8	8	8
Finance	24	24	24	26
Information Technology	14	16	16	17
Community Services	84	84	84	82
Planning, Development & Transportation	40	40	40	43
Police	325	326	327	336
Fire	220	220	220	220
Public Services	65	65	65	69
GENERAL FUND	808	811	812	830
CDBG/HOME GRANT AND LOAN FUND	9	9	9	9
FLEET FUND	13	13	13	13
PARKING FUND	2	2	2	2
SOLID WASTE MANAGEMENT FUND	83	83	83	83
GOLF ENTERPRISE FUND	11	11	11	11
STORM WATER MANAGEMENT FUND	60	60	60	60
METROPOLITAN PLANNING SPECIAL PURPOSE FUND	9	9	9	10
ALL FUNDS	995	998	999	1,018

The changes in authorized positions between the FY 14-15 adopted and the FY 14-15 adjusted budgets reflect the mid-year approval of Council to increase authorized strength in the Police Department with the addition of a Forensic Chemist.

The FY 2016 budget reflects a total increase of 19 positions. Eight detectives were authorized mid-year for the Police Department and an additional position has been requested to retain a currently shared Administrative Tech position as a FT position. If authorized, Legal will relinquish this position and is requesting a FT Paralegal to assist with collection efforts. Five of the other 10 positions are due to the approved Streets and Sidewalks bond that goes in to effect July 1 with four of them in Public Services/Engineering and 1 in Finance/Purchasing. The remaining 4 positions are requested in the City Manager's office with the addition of a second Deputy City Manager, 1 position in IT, 1 position in Planning, Development & Transportation and 1 with the Wilmington Metropolitan Planning Office.

REVENUE SUMMARY

	FY 13-14 Actuals	FY 14-15 Adopted	FY 15-16 Recommend	% Change
OPERATING FUNDS				
010 General Fund	91,248,195	91,133,220	94,708,342	
050 Storm Water Management Fund	8,944,112	8,637,918	9,635,262	
056 Solid Waste Management Fund	10,475,201	9,423,352	9,299,486	
SUBTOTAL	110,667,508	109,194,490	113,643,090	4.1%
PROGRAM FUNDS				
021 Special Purpose Fund	6,148,735	7,643,380	3,673,138	
022 Convention Center Operating Fund	12,208,642	8,008,312	4,191,258	
023 CDBG Fund	933,392	1,203,544	886,596	
024 CDBG/HOME Grant and Loan Fund	630,862	758,297	707,159	
025 HOME Partnership Fund	523,585	668,650	689,437	
055 Parking Facilities Fund	3,434,735	3,655,995	3,487,408	
057 Golf Course Fund	871,817	1,325,800	1,497,968	
061 Fleet Maintenance & Replacement Fund	5,148,291	8,950,156	6,244,942	
065 Technology Replacement Fund	949,662	1,392,825	970,115	
Loan Funds	711,075	-	-	
SUBTOTAL	31,560,796	33,606,959	22,348,021	-33.5%
DEBT SERVICE FUNDS				
015 Debt Service Fund	21,046,738	20,207,870	20,558,282	
CAPITAL PROJECT FUNDS (Net of Debt)				
031 Streets & Sidewalks	6,720,160	3,388,250	-	
032 Storm Water/Drainage	3,996,841	500,000	1,000,000	
033 Parks & Recreation	510,076	231,004	-	
034 Public Facilities	4,296,271	211,207	-	
035 Parking Facilities	402,403	650,700	-	
036 Golf Course	1,127,796	-	-	
039 Public Improvements	220,810	-	-	
SUBTOTAL	17,274,357	4,981,161	1,000,000	-79.9%
TOTAL ALL FUNDS	180,549,399	167,990,480	157,549,393	-6.2%
Less Interfund Transfers	(35,645,379)	(19,866,548)	(13,439,966)	
NET OPERATING & CAPITAL BUDGET	144,904,020	148,123,932	144,109,427	-2.7%

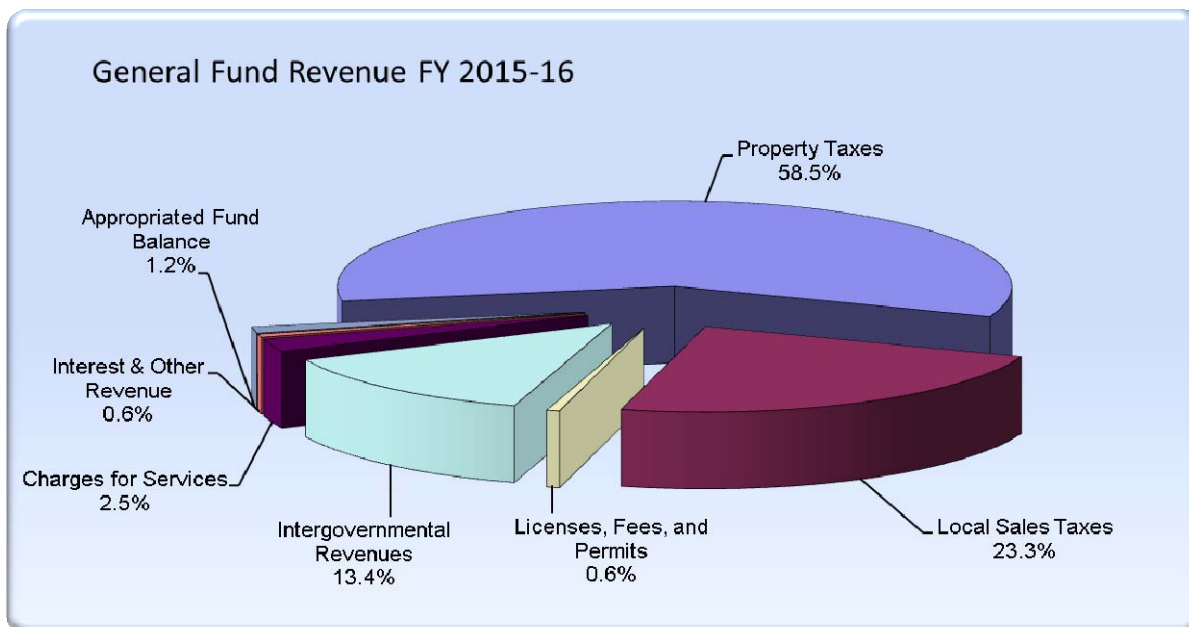
REVENUE ESTIMATES

The revenue estimates for the FY 2015-16 budget have been made in accordance with the City's Financial Management Policies. These estimates include only those reasonably expected to be realized during the fiscal year to meet all operating, debt and capital needs in line with the "no deficiency" budget requirements imposed by State Statute. Only significant revenue sources for all funds are listed as follows:

OPERATING FUNDS

GENERAL FUND

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
REVENUES					
Property Taxes	52,847,570	53,546,882	53,546,882	55,440,267	3.5%
Local Sales Taxes	19,392,883	19,548,312	19,548,312	22,026,474	12.7%
Licenses, Fees, and Permits	3,092,735	2,307,459	2,332,459	584,808	-74.7%
Intergovernmental Revenues	12,425,865	12,494,323	12,548,527	12,655,329	1.3%
Charges for Current Services	2,517,367	2,321,801	2,355,394	2,329,887	0.3%
Fines and Forfeitures	253,712	133,700	133,700	133,700	0.0%
Interest Earnings	181,472	100,143	100,143	204,358	104.1%
Other Revenue	536,591	70,600	679,473	183,073	159.3%
Appropriated Fund Balance	-	610,000	1,987,843	1,150,446	88.6%
Total	91,248,195	91,133,220	93,232,733	94,708,342	3.9%



Property Taxes

Property Taxes are the largest revenue source for the General Fund at approximately 59%. The amount represented here includes current and prior year tax as well as penalties and interest. The property tax rate will be \$0.4850 per \$100 assessed valuation. The value of one penny of the tax rate is equivalent to approximately \$1,318,756 based on a 98.41% combined collection rate. Of the \$0.4850, \$0.0700 is dedicated to the Debt Service Fund to support capital projects with \$0.0500 supporting an 80% debt and 20% pay-as-you-go 5 year capital program plan covering FY 2013 – FY 2017 and \$0.0200 funding the voter approved Streets and Sidewalks bond.

The City's tax base for FY 2015-16 is estimated at \$13,395,168,000. The City's real property is expected to total approximately \$11,614,415,000. Personal property is projected to be approximately \$1,650,753,000 and State-appraised property is projected at \$130,000,000. Overall values increased about \$306.3 million from the FY 2014-15 assessed values or 2.3%.

Local Sales Tax

Local sales tax revenues for FY 2015-16 are estimated at \$22,026,474 reflecting a 12.7% increase over FY 2014-15 adopted levels. Sales Tax represents just over 23% of the total General Fund revenues. Of this amount, \$10.4 million comes from the locally collected and distributed one-cent levy. The balance of the revenue, approximately \$11.6 million, comes from the statewide collected 1.5 cent levy. Both levies (totaling 2.5 cents) are distributed among New Hanover County's local governments based on property tax levy.

Licenses, Fees, and Permits

This revenue category includes the anticipated revenues for such items as motor vehicle licenses and annual fire permit fees, and reflects a significant reduction from FY 2015 adopted levels due to the elimination of privilege license revenue.

Intergovernmental Revenues

The total Intergovernmental Revenues represents approximately 13.4% of the City's anticipated General Fund revenues for FY 2015-16.

Powell Bill revenues, a major revenue source in the Intergovernmental Revenues section, come from a portion of the State's gasoline tax that is distributed to cities on the basis of population and mileage of City-maintained streets, with 75% of the distribution based on population. For FY 2015 actual Powell Bill revenue receipts were almost 3% above budget. The budget for FY 2016 is approximately 1% below the FY 2015 actuals.

Charges for Current Services

Charges for current services represent approximately 2.5% of total anticipated General Fund revenues for FY 2015-16. Charges for current services are classified in five sub-categories: general government services, public safety services, public services, recreation programs, and miscellaneous charges.

Other Revenue, Interest, Fines and Forfeitures

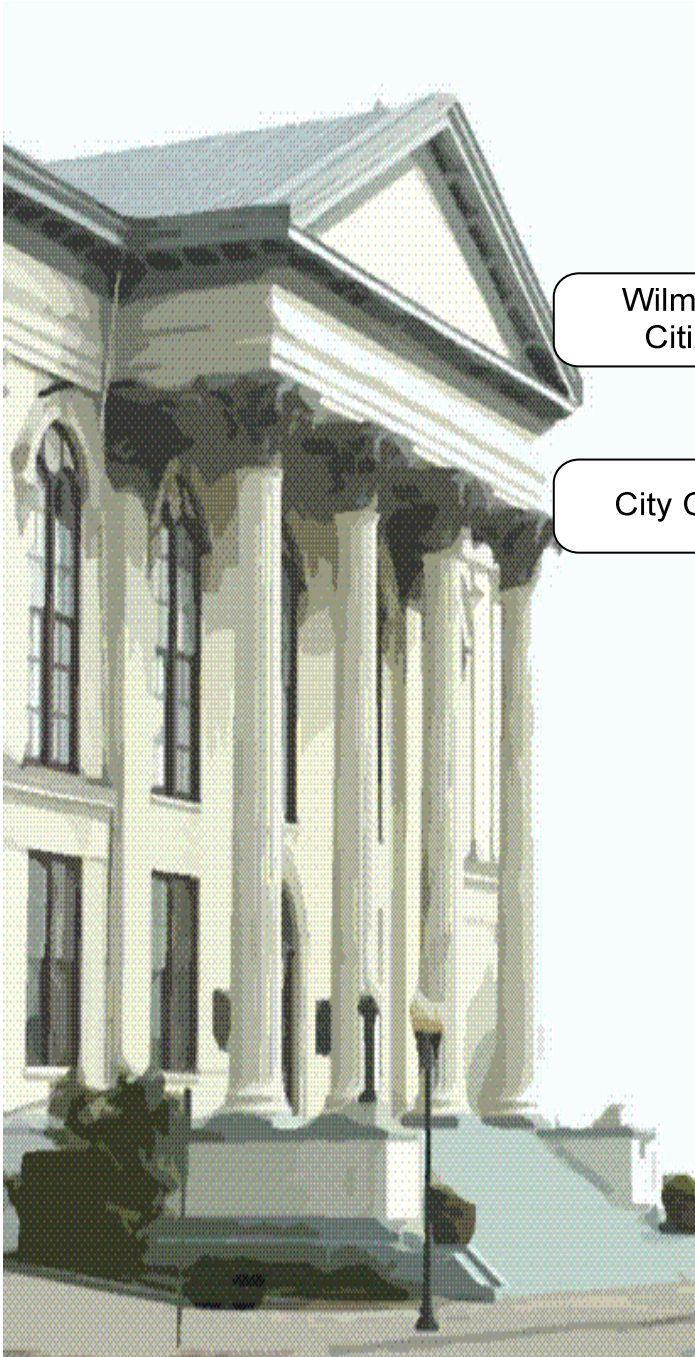
Other revenue includes miscellaneous revenue sources in the amount of \$521,131. One of the primary revenue sources in this category is interest earnings, which are anticipated to increase approximately 100% due to anticipated improving interest rates.

Fines and Forfeitures include civil citations and fire code violations. The budget reflects the City's historical experience in collection of civil citations.

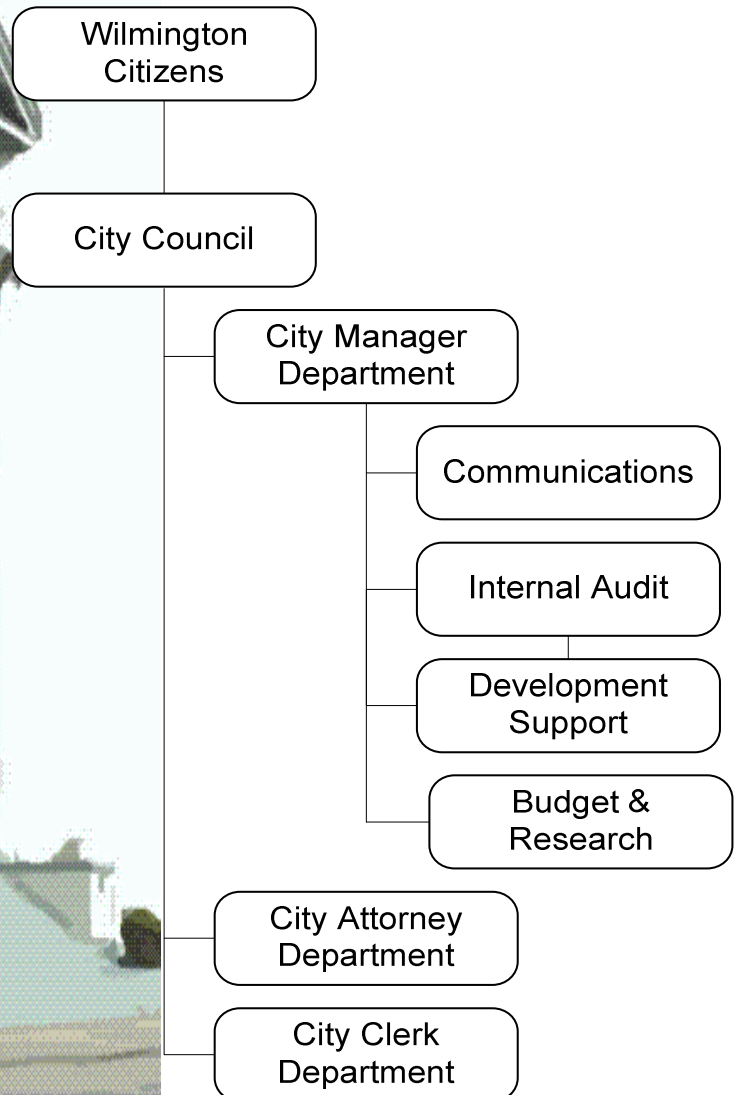
Appropriated Fund Balance

Appropriated fund balance in the amount of \$1,150,446 is included in the budget for FY 2015-16 for one-time expenditures associated with establishing a fund balance for WAVE Transit, hiring a consultant to analyze and re-write the land development code, purchasing of a wheel loader and knuckle boom truck and lease hold improvements for office space. Unassigned fund balance as of June 30, 2016 is anticipated to be approximately 29.9% of FY 2015-16 budgeted expenditures or \$28.2 million.

GOVERNANCE OFFICES



City Hall
102 N. Third Street
Wilmington, NC



CITY COUNCIL

The seven-member **City Council** is the official legislative and policy-making body of the City of Wilmington. The Mayor, the presiding officer of the City Council, serves as the official and ceremonial head of the City and is a voting member of the City Council.

The Mayor serves a two-year term, while the other six members of the City Council serve four-year terms. The six members of City Council serve staggered terms, with three members elected in each odd-numbered year. All members are elected at-large on a non-partisan basis.

All official actions of the City Council are taken at public meetings. City Council holds regular public meetings on the first and third Tuesday of each month. The City Council also conducts special meetings, work sessions on the City budget, and other issues of special interest.

All City Council meetings are broadcast live on cable channel 8, the City's Government Information Channel. Taped meetings are also re-broadcast several times between City Council meetings.

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Category					
Personnel	121,860.00	123,425.00	123,425.00	124,732.00	
Benefits	33,012.00	42,664.00	42,714.00	43,225.00	
Operating	20,866.00	38,003.00	38,003.00	46,600.00	
Capital Outlay	-	-	-	-	
Total	175,738	204,092	204,142	214,557	5.1%

The FY 2016 City Council budget includes a \$1,000 increase in travel allowance for each council member and an additional amount for members serving on regional or national boards.

CITY CLERK

Appointed by the City Council to a two-year term, the **City Clerk** acts as the official record keeper for the City of Wilmington. The City Clerk attends and records minutes of all Council meetings, certifies ordinances and resolutions adopted by City Council, maintains files of deed and contractual transactions, provides for the official notification of special meetings and public hearings, maintains the membership record of all City boards and commissions, manages the codification of ordinances, and provides information from these reports to the Council, public, and staff.

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Category					
Personnel	132,403	158,509	158,509	161,244	
Benefits	38,282	53,053	53,068	54,669	
Operating	15,102	30,600	31,344	32,224	
Capital Outlay	-	-	-	-	
Total	185,787	242,162	242,921	248,137	2.5%
Authorized Positions	3	3	3	3	

The FY 2016 City Clerk budget reflects an increase of 2.5%. The City Clerk's budget includes funding for the continuation of the City's compensation plan and core services.

CITY MANAGER

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Division					
Administration	679,464	751,546	757,613	971,542	
Communications	406,947	439,377	463,457	510,176	
Budget Office	309,586	326,042	326,064	354,121	
Internal Audit	80,283	90,595	90,713	97,909	
Development Support	101,445	106,380	106,388	107,955	
Allocated Costs	(15,000)	(15,000)	(15,000)	(16,100)	
Total	1,562,725	1,698,940	1,729,235	2,025,603	19%
Expenditures by Category					
Personnel	1,178,957	1,241,874	1,241,874	1,504,599	
Benefits	279,459	317,687	312,806	342,581	
Operating	116,748	155,479	173,189	160,783	
Capital Outlay	2,561	-	17,466	33,850	
Allocated Costs	(15,000)	(16,100)	(16,100)	(16,210)	
Total	1,562,725	1,698,940	1,729,235	2,025,603	19%
Authorized Positions					
Administration	6	6	6	7	
Communications	5	5	5	5	
Budget Office	3	3	3	3	
Internal Audit	1	1	1	1	
Development Support	1	1	1	1	
Total	16	16	16	17	

The FY 2016 City Manager's budget reflects an increase of approximately 19%. The increase is comprised of funding the additional position of Deputy City Manager as well as the transfer of the Budget Division budget from the Finance Department. Several years ago, Budget's reporting structure was divided between the City Manager and Finance. In FY 2011, Budget reported only to the City Manager, however the actual budget was never transferred. The net of effect on the budget of this transfer is zero since the Finance budget is reduced accordingly. The budget includes funding for continuing the City's compensation plan and maintaining core services.

CITY ATTORNEY

The **City Attorney** provides legal advice and assistance to the City Council, City Manager, and staff, as it relates to their official duties. The City Attorney is appointed by City Council and represents the City in all legal proceedings on behalf of the City. As legal advisor, the Attorney prepares and reviews legal documents, informs Council and staff of changes in the law affecting City operations, assists in the development of programs and procedures to ensure compliance with local, State and Federal laws, and assists in the review and enforcement of City ordinances.

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Category					
Personnel	568,933	590,707	590,707	611,281	
Benefits	146,079	172,778	172,844	179,376	
Operating	41,143	71,166	95,970	71,653	
Capital Outlay	-	-	-	-	
Total	756,155	834,651	859,521	862,310	3%
 Authorized Positions	 9	 9	 9	 9	 -

The FY 2016 City Attorney budget is increasing by 3% over the FY2015 adopted budget. The budget includes increases related to collection efforts that will encourage compliance for ordinance violations. The budget continues core services as well as includes funding for the continuation of the City's compensation plan.

HUMAN RESOURCES

The **Human Resources** department provides comprehensive services which support effective management of the workforce to all City departments. Functional areas include recruitment, classification, compensation and benefits administration, personnel records management, training, safety and risk management, and employee relations.

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Category					
Personnel	499,499	530,787	542,492	552,985	
Benefits	114,763	132,044	132,102	131,379	
Operating	62,838	86,635	72,131	113,722	
Capital Outlay	-	-	2,400	-	
Total	677,100	749,466	749,125	798,086	6.5%
Authorized Positions	8	8	8	8	

The FY 2016 Human Resources budget reflects an increase of 6.5%. The budget includes funding for continuation of the City's compensation plan and core services.

Increases in the operational budget include funding for temporary labor to assist with updating and maintaining the City's electronic personnel records. Funding is also included for a professional Market Analysis of employee compensation levels.

FINANCE

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Division					
Accounting	981,661	1,150,895	1,173,429	1,295,811	
Revenue	340,127	574,082	576,697	569,205	
Purchasing	263,267	280,818	280,848	345,433	
Allocated Costs	(128,378)	(132,563)	(132,563)	(138,890)	
Total	1,456,677	1,873,232	1,898,411	2,071,559	10.6%
Expenditures by Category					
Personnel	1,121,941	1,355,049	1,326,249	1,492,791	
Benefits	295,838	411,896	412,135	460,472	
Operating	143,413	238,850	282,736	256,035	
Capital Outlay	23,863	-	9,854	1,151	
Allocated Costs	(128,378)	(132,563)	(132,563)	(138,890)	
Total	1,456,677	1,873,232	1,898,411	2,071,559	10.6%
Authorized Positions					
Accounting	12	12	12	13	
Revenue	8	8	8	8	
Purchasing	4	4	4	5	
Total	24	24	24	26	

The FY 2016 budget for the Finance Department provides for the continuation of current services and includes the continuation of the compensation plan. The 10.6% increase is primarily attributable to staffing and equipment related to the Streets and Sidewalks bond administration. One administrative position and one new contracts specialist are included in this budget.

INFORMATION TECHNOLOGY

The **Information Technology** department provides a wide array of services which support all departments through end-user client support, network infrastructure, software applications, and championing the use of technology to meet the City's strategic goals.

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Category					
Personnel	1,008,140	1,153,943	1,153,943	1,167,482	
Benefits	265,360	300,836	300,938	332,491	
Operating	790,189	812,789	817,353	794,364	
Capital Outlay	7,984	16,000	15,500	5,400	
Total	2,071,673	2,283,568	2,287,734	2,299,737	0.7%
Authorized Positions	14	16	16	17	

The FY 2016 Information Technology budget includes an increase of less than 1%. This budget includes the addition of a computer support analyst position. Additional staff was identified as a need by the department as well as the Information Technology study conducted by the UNC School of Government. The increase in staff and compensation adjustments has been offset by the transfer of city-wide technology services to the Technology Fund to properly charge departments for technology purchases and communication usage.

SUNDRY APPROPRIATIONS

NONDEPARTMENTAL

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend
Employee Recognition	-	17,000	17,000	12,000
City Facilities Storm Water	100,777	90,000	90,000	120,000
City Newsletters	73,156	93,000	88,950	85,000
Facilities Insurance	592,175	702,251	661,217	685,231
Unemployment Compensation	295,333	65,000	43,983	65,000
Workers' Compensation Claims	34,891	99,500	99,500	99,500
Dues - Associations	82,508	81,508	86,575	102,660
Claims Against the City	118,460	90,000	200,000	90,000
City Advertising	1,073	10,000	10,000	10,000
Medical Insurance - Regular	-	770,696	716,913	581,726
Medical Insurance - Retiree	1,102,950	1,450,000	1,450,000	1,450,000
New Hanover County Tax Collections	397,941	396,677	387,177	411,823
Independent Audit	71,500	65,000	133,500	82,000
Employee Parking	64,800	84,525	84,525	84,525
Municipal Elections	53,035	-	-	70,000
Actuarial Studies	633	7,200	7,350	650
United Way Fund Raising Campaign	500	500	500	500
Wellness Program	2,517	2,500	6,283	2,500
City-Wide Training	1,332	20,000	20,000	20,000
City-Wide Tuition Reimbursement	28,332	30,000	30,000	30,000
Retirement Payout Estimate	-	100,000	100,000	100,000
Records Retention	5,768	30,000	20,000	30,000
City Streets Storm Water	1,912,915	2,073,600	2,073,600	2,247,782
Strategic Planning	-	35,000	35,000	-
Technology Projects	72,910	-	5,267	-
Rent - Coast Guard Spaces	18,000	29,250	29,250	29,250
Payments to NCDOT	-	-	12,475	-
Bank Service Fees	37,368	40,600	40,600	40,600
City-Wide Intern Pool	19,922	16,250	16,250	61,250
Convention Center Hotel Costs	320,973	-	109,393	-
Economic Development Initiatives	-	-	10,000	50,000
City Marketing	-	15,000	15,000	15,000

FY 2015-16 Recommended Budget
GENERAL GOVERNMENT

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend
Legislative Affairs	31,008	60,000	60,000	50,000
Miscellaneous	1,372	30,000	26,817	300,000
SOG Benchmarking Study	10,000	-	-	-
Council Technology	13,961	-	-	-
Leadership Development	6,070	17,000	11,933	17,000
Office Space Assessment	15,829	-	5,072	-
DMV Tax Collection Fees	68,912	99,678	99,678	99,678
Cost Recovery Agreements	5,506	-	-	-
Vision Self Insurance	(15,063)	2,000	2,000	-
Dental Self Insurance	(13,110)	18,000	18,000	-
Disease Management	364,763	326,453	326,453	360,000
HRA Retiree and Administrative Fees	34,615	66,833	66,833	66,833
FSA Administrative Fees	16,000	16,350	16,350	16,002
Employment Medical	92,608	100,000	100,000	100,000
Employee Assistance Program	9,005	9,800	9,800	9,527
OPEB Contribution Trust	-	-	416,423	-
Retiree Health Claims Audit	-	800	800	800
Health Claims Audit	-	800	800	800
Separation Allowance Police	250,000	250,000	250,000	250,000
Fire Assessment Study	20,000	-	-	-
Burn Pit Costs	-	-	16,515	-
Wave Transit Subsidy	1,285,000	1,442,822	1,442,822	1,442,822
Voluntary Annexation Costs	-	-	1,000	-
Special Purpose Grant Match	-	100,000	52,070	100,000
Allocated Costs	(1,294,633)	(1,438,710)	(1,438,710)	(1,521,077)
Total	6,311,612	7,516,883	8,084,964	7,869,382

The FY 2015-16 General Fund Nondepartmental budget includes funding for general City expenditures not attributable to a specific City department. Some highlights for the allotments are as follows:

An increase in the expense for storm water fees associated with City-owned streets includes a 6% increase in the storm water utility rate from \$6.83 to \$7.24.

\$50,000 to Cape Fear Council of Governments for management of the Continuum of Care program to end homelessness.

FY 2015-16 Recommended Budget GENERAL GOVERNMENT

Funding for WAVE Transit was budgeted at their FY 2015 level for operating and also includes the second and final payment of the agreed upon \$157,822 for the establishment of a fund balance.

Allocated costs represent a credit for overall General Fund expenditures in support of non-General Fund activities such as Storm Water, Solid Waste, Golf and Parking. The offsetting expense for these services is found in each of the respective enterprise funds.

SUNDRY APPROPRIATIONS

The City provides funding to public service agencies through the General Fund, Community Development Block Grant, and HOME Investment Partnership funds that provide services consistent with the City Council's strategic focus areas, Department of Housing and Urban Development (HUD) national guidelines, and the priorities of the City's Five-year Consolidated Plan for CDBG/HOME. Applications for these funds are considered through a competitive process for two consecutive years of funding that is appropriated annually by City Council through the budget process. Fiscal year 2016 is the second year of the biennial process.

PUBLIC SERVICE AGENCY APPROPRIATIONS

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend
<i><u>Public Service Agencies - General Fund</u></i>				
The agencies listed here received funding through the City's application process and are funded from the General Fund.				
Coastal Horizons	37,050	66,180	97,030	66,180
Domestic Violence	6,700	-	-	-
Child Advocacy Comm/Community Girls & Boys Club				
Elderhaus	19,000	19,231	19,231	19,231
Carousel Center	9,500	-	-	-
Phoenix Employment Ministries	9,000	15,000	15,000	15,000
Kids Making It Woodworking	14,250	30,288	30,288	30,288
Brigade Boys & Girls Club	23,750	70,819	70,819	70,819
American Red Cross	9,500	10,000	10,000	10,000
Good Shepherd Ministries	20,866	-	-	12,487
Cape Fear CDC	18,896	-	-	-
Food Bank of North Carolina	14,250	14,853	14,853	14,853
Cape Fear Area United Way - Blue Ribbon Commission	20,000	30,000	30,000	30,000
Wilmington Coastal Boxing	-	10,000	10,000	10,000
Communities in Schools in Cape Fear	9,000	19,808	19,808	19,808
Ability Garden	3,063	6,500	6,500	6,500
Historic Wilmington Foundation	-	11,723	11,723	11,723
Aging in Place Downtown	-	8,998	8,998	8,998
Cape Fear Literacy Council	9,500	13,581	13,581	13,581
LINC - Leading Into New Communities	33,087	36,972	38,541	36,972
AME Zion	-	25,330	25,330	25,330
Cape Fear Housing Land Trust	21,250	21,767	21,767	21,767
First Fruit Ministries	13,399	-	-	-
Dreams	16,625	20,000	20,000	20,000
Wilmington Residential Adolescent Achievement	9,000	22,844	22,844	22,844
Community Boys and Girls Club	-	20,000	20,000	20,000
Total Public Service Agencies - General Fund	317,686	473,894	506,313	486,381

FY 2015-16 Recommended Budget
GENERAL GOVERNMENT

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend
--	--------------------	---------------------	----------------------	-----------------------

Public Service Agencies - CDBG

The agencies listed here received funding through the City's application process and are funded from Federal entitlement funds associated with the Community Development Block Grant.

Domestic Violence Shelter & Services, Inc.	31,907	32,151	32,151	32,151
Good Shepherd Ministries/Wilmington Interfaith	121,010	114,107	114,107	114,107
Leading Into New Communities (LINC)	6,650	10,597	10,597	10,597
Coastal Horizons Center	30,117	-	-	-
First Fruit Ministries	7,135	21,535	21,535	21,535
Forgivable Loans	15,000	-	-	-
Total Public Service Agencies - CDBG	211,819	178,390	178,390	178,390
Grand Total Public Service Agencies	529,505	652,284	684,703	664,771

CIVIC DEVELOPMENT PARTNER AGENCY APPROPRIATIONS

The City also provides funding to Civic Development Partner agencies through the General Fund such as those that provide economic and physical development, cultural and recreational programs, or boards and commissions that enhance the area and quality of life for its citizens. Applications through the General Fund for these agencies are also considered through a competitive process in January of each year.

Civic Development Partner Agencies

Wilmington Business Development	84,815	86,087	86,087	87,551
Wilmington Downtown, Inc.	64,252	95,216	95,216	96,325
Wilmington Regional Film Commission	115,766	117,502	117,502	119,500
Entrepreneur Center	-	70,000	140,000	70,000
Cape Fear Future	20,000	15,000	15,000	20,000
Cucalorus Film Foundation	12,000	12,000	12,000	20,000
Arts Council	25,000	25,000	25,000	20,000
Cameron Art Museum	-	10,000	10,000	-
Wilmington Jewish Film Festival	-	-	-	2,000
Total Civic Development Partner Agencies	321,833	430,805	500,805	435,376

OTHER GENERAL FUND AGENCY APPROPRIATIONS

	FY 13-14	FY 14-15	FY 14-15	FY 15-16
	Actual	Adopted	Adjusted	Recommend

Other General Fund agencies include those that provide quality of life for the citizens of the greater Wilmington region and are considered annually in the budget. These agencies do not go through an application process.

Battleship Fireworks	-	10,000	30,000	30,000
Thalian Hall Center for the Performing Arts	127,500	129,540	129,540	131,742
Martin Luther King, Jr. Celebration	-	2,000	2,000	-
Community Arts Center	53,700	53,700	53,700	53,700
Flemington Soccerplex	-	-	35,000	-
Wilmington Black Expo	-	1,000	1,000	-
Cape Fear Community College	-	100,000	100,000	-
<i><u>Boards and Commissions</u></i>				
Cape Fear Council of Governments	18,035	20,044	20,044	70,044
City Boards	4,903	6,500	16,000	6,500
Port, Waterway and Beach Commission	6,828	-	-	-
Sister City Commission	2,134	2,500	2,500	2,500
Total Other Agencies	213,100	325,284	389,784	294,486
GRAND TOTAL AGENCIES FUNDED THROUGH THE GENERAL FUND	852,619	1,229,983	1,396,902	1,216,243

SUNDRY APPROPRIATIONS

CONTINGENCY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend
Contingency	-	100,000	74,561	100,000
Contingency for Economic Development	-	50,000	50,000	100,000
Total	-	150,000	124,561	200,000

Contingency funds are budgeted for unforeseen needs that may arise during the fiscal year. Any use of contingency funds must be approved by City Council.

ECONOMIC INCENTIVES

Pharmaceutical Produce Development (PPD)	121,563	125,000	125,000	125,000
Castle Branch	-	50,000	50,000	50,000
Live Oak Bancshares	-	50,000	50,000	50,000
Wrightsville Beach - Galleria	-	-	-	7,224
Miscellaneous Incentives	-	50,000	50,000	-
Total	121,563	275,000	275,000	232,224

Incentive payment agreements with PPD, Castle Branch, and Live Oak Bancshares FY 2016. Also included is a contractual payment to Wrightsville Beach for the annexation of the Galleria property.

SUNDRY APPROPRIATIONS

TRANSFERS

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend
Transfer to Debt Service Fund	9,334,832	9,334,832	9,334,832	9,334,832
Special Purpose Fund	707,114	672,608	732,829	724,855
CD/HM Grant & Loan Administration	165,778	275,723	275,723	184,096
Capital Projects Streets and Sidewalks	456,232	-	403,731	-
Capital Projects Parks and Recreation	-	-	345,355	-
Capital Projects Public Facilities	2,733,717	-	-	-
Capital Projects Public Improvements	6,250	-	30,000	-
Solid Waste Management Fund	1,775,000	-	-	-
Technology Replacement	480,000	480,000	480,000	480,000
Housing Funds	-	100,000	100,000	-
Total	15,658,923	10,863,163	11,702,470	10,723,783

The FY 2015-16 Sundry Transfers budget provides for approximately \$9.3 million to the Debt Service Fund, which represents existing debt service previously incorporated into the property tax rate. This level of funding will continue until that debt is retired.

Transfers to the Special Purpose Fund moves funding into life-to-date projects for various programs. The budget for FY 2016 includes:

Safelight	\$150,000
S.A.B.L.E.	161,201
Annual Affordable Housing Summit	7,000
Metropolitan Planning Administration	395,654
Downtown Business Alliance	11,000

The Metropolitan Planning Administration is the Transportation Planning division from the Planning, Development and Transportation Department.

The General Fund subsidizes the community development activities in the CD/HM Grant and Loan Administration Fund, which is funded primarily with Community Development Block Grant and HOME funds from the federal government. The General Fund contribution for FY 2016 is 23% of the total allotment for these activities.

Seven thousand dollars is included to support the second annual Affordable Housing Summit. The City anticipates the receipt of sponsorships to assist with the initiative.

The \$480,000 to the Technology Replacement Fund provides for the costs associated with the City's transition to a hosted environment also known as cloud computing.

COMMUNITY SERVICES

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Division					
Administration	198,569	209,327	209,342	162,558	
Code Enforcement	552,704	571,850	596,308	455,348	
Recreation & Downtown Services	2,914,499	3,315,557	3,290,665	3,323,373	
Parks, Landscaping & Tree Maint.	2,993,938	3,396,304	3,540,937	3,592,141	
Allocated Costs	(61,409)	(49,699)	(49,699)		
Total	6,598,301	7,443,339	7,587,553	7,533,420	1.2%
Expenditures by Category					
Personnel	3,839,258	4,145,509	4,104,772	4,121,762	
Benefits	1,052,322	1,257,504	1,258,088	1,226,496	
Operating	1,750,228	2,046,725	2,180,159	2,161,976	
Capital Outlay	17,902	43,300	94,233	72,885	
Allocated Costs	(61,409)	(49,699)	(49,699)	(49,699)	
Total	6,598,301	7,443,339	7,587,553	7,533,420	1.2%
Authorized Positions					
Administration	2	2	2	2	
Code Enforcement	8	7	7	5	
Recreation & Downtown Services	23	23	23	23	
Parks, Landscaping & Tree Maint.	51	52	52	52	
Total	84	84	84	82	

The Community Services Department budget includes a re-structuring of the services provided to better serve the citizens. The Code Enforcement group has been divided into two groups with one group specializing in property code enforcement and the other in zoning enforcement.

The allocated costs in the Administration budget reflect the staff time associated with the activities of the CD/HM Grant Loan Administration Fund.

CDBG/HOME GRANT AND LOAN ADMIN FUND

The CDBG/HOME Grant and Loan Fund was established in FY 2009-10 to capture the costs associated with the City's community development and housing activities.

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Division					
Finance	167,378	183,192	183,192	189,419	
Community Development	235,359	285,963	285,963	294,221	
Housing Development	228,128	289,142	289,142	223,519	
Total	630,865	758,297	758,297	707,159	-6.7%
Expenditures by Category					
Personnel	399,971	487,639	470,139	459,386	
Benefits	113,248	158,464	158,464	145,223	
Operating	117,646	112,194	129,694	102,550	
Total	630,865	758,297	758,297	707,159	-6.7%
Authorized Positions					
Finance	2	2	2	2	
Community Development	3	3	3	3	
Housing Development	4	4	4	4	
Total	9	9	9	9	-

The CDBG/HOME Grant and Loan Administration Fund budget for FY 2016 provides for the continuation of current services. It also includes funding for the third year of the City's compensation plan. Collections, foreclosure mitigation, and complex regulatory compliance have become issues for a limited staff. The FY 2016 budget includes funding for a part-time temporary position to assist with administrative tasks and to develop and implement a collections policy and foreclosure mitigation procedures that are projected to produce a minimum of \$65,000 in additional program income as a result.

COMMUNITY DEVELOPMENT BLOCK GRANT

BUDGET SUMMARY

	FY 14-15 Adopted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
HOUSING			
Housing Delivery Costs	205,000	205,000	
Undesignated	100,000	100,000	
Home Ownership Program (HOP)	359,445	166,574	
Subtotal	664,445	471,574	
PUBLIC FACILITIES			
DREAMS Community Arts Center 10th & Fanning Phase	150,000	101,620	
Subtotal	150,000	101,620	
PUBLIC SERVICES			
Public Service Agencies	178,390	64,283	
Subtotal	178,390	64,283	
PROGRAM ADMINISTRATION AND PLANNING			
Community Development	210,709	249,119	
Subtotal	210,709	249,119	
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT	1,203,544	886,596	-26.3%

The City of Wilmington expects to receive \$881,896 in entitlement funds for the Community Development Block Grant (CDBG) Program. This amount represents an approximate 2.2% decrease to the budgeted entitlement for FY 2015. The program activities and administration expenditures for FY 2016 are being supported with funds from reprogrammed loan repayments and projected program income and general fund, as outlined in the FY 2015-16 CDBG/HOME Fund Action Plan.

Community Development Program Administration and Planning and the Housing Delivery Cost represent the allowable administrative subsidy from the CDBG entitlement funds that support the administration of the CDBG program via the CDBG/HOME Grant and Loan Administration Fund.

HOME INVESTMENT PARTNERSHIP FUND

BUDGET SUMMARY

	FY 14-15 Adopted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
HOUSING			
Downpayment Assistance	-	225,000	
Habitat for Humanity	-		
CHDO - Cape Fear Regional CDC	-		
CASA - Lockwood Village	-		
WHFD Willow Pond Rehabilitation	327,837	168,920	
Beacon Management - Shipyard Village	273,948	226,573	
Subtotal	601,785	620,493	
PROGRAM ADMINISTRATION AND PLANNING			
HOME Planning and Administration	66,865	68,944	
Subtotal	66,865	68,944	
TOTAL HOME INVESTMENT PARTNERSHIP FUND	668,650	689,437	3.1%

The FY 2015-16 HOME Investment Partnership Fund budget provides for administration of housing related activities carried out primarily by Community Housing Development Organizations (CHDO's) and non-profit housing developers. Funding for FY 2016 reflects a decrease of approximately 11% below FY 2015. Approximately \$439,437 is anticipated in HOME Fund entitlement dollars with the balance in program income to support these activities.

HOME Planning and Administration in the amount of \$68,944 represents the allowable administrative subsidy from the entitlement funds for administration of the program by the CDBG/HOME Grant and Loan Administration Fund.

PLANNING, DEVELOPMENT AND TRANSPORTATION

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Division					
Administration	251,534	303,404	303,426	314,664	
Planning	1,151,792	1,376,236	1,381,628	1,706,060	
Traffic Engineering	3,358,949	3,434,296	3,475,206	3,531,109	
Total	4,762,275	5,113,936	5,160,260	5,551,833	8.6%
Expenditures by Category					
Personnel	2,132,212	2,278,155	2,281,155	2,456,886	
Benefits	568,641	664,802	665,092	705,941	
Operating	1,934,866	2,170,979	2,154,063	2,389,006	
Capital Outlay	126,556	-	59,950	-	
Total	4,762,275	5,113,936	5,160,260	5,551,833	8.6%
Authorized Positions					
Administration	3	3	3	3	
Planning	15	15	15	17	
Traffic Engineering	22	22	22	23	
Total	40	40	40	43	

The FY 2016 Department of Planning, Development and Transportation budget is increasing overall by 6.2%. Personnel and benefits include funding for the continuation of the City's compensation plan. Operating increases are primarily due to the inclusion of funding for a Field Technician position in Traffic Engineering.

PUBLIC SERVICES

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Division					
Administration	380,716	482,727	482,757	496,367	
Streets	1,940,529	2,165,940	2,167,591	2,209,784	
Public Buildings	2,629,547	2,836,333	2,849,099	2,896,279	
Engineering	2,013,861	2,197,722	2,197,975	2,533,355	
Allocated Costs	(536,644)	(528,859)	(528,859)	(508,280)	
Total	6,428,009	7,153,863	7,168,563	7,627,505	6.6%
Expenditures by Category					
Personnel	3,081,859	3,405,168	3,397,368	3,804,344	
Benefits	838,552	1,040,626	1,041,135	1,150,926	
Operating	3,010,904	3,235,428	3,257,019	3,145,927	
Capital Outlay	33,338	1,500	1,900	34,588	
Allocated Costs	(536,644)	(528,859)	(528,859)	(508,280)	
Total	6,428,009	7,153,863	7,168,563	7,627,505	6.6%
Authorized Positions					
Administration	4	4	4	5	
Streets	26	26	26	25	
Public Buildings	9	9	9	9	
Engineering	26	26	26	30	
Total	65	65	65	69	

The Public Services FY 2015-16 budget provides for the continuation of current services as well as some realignment of resources to address priorities. The budget includes funding to accommodate the City's compensation plan for FY 2016. The 6.6% increase in the budget is primarily due to staffing, equipment and vehicle purchase to support the implementation of the 2014 Streets & Sidewalks bond. Two construction project managers, a survey project manager and a quality control technician are recommended.

Public Services Administration houses the City's sustainability program with oversight from the Sustainability Project Manager. Initiatives from this program for energy efficient retrofits in public buildings have resulted in a considerable savings in electric energy for the City. This savings is in part being reprogrammed to support projects that provide continued savings. Those projects include LED indoor lighting, HVAC's, Community Art Center windows and lights at the operations center.

The allocated costs represent a credit for 100% of the Public Services Compliance Officer position that provides code enforcement support for the Solid Waste and Storm Water Funds. The Solid Waste fund also provides support for 50% of the salary, benefits and associated operating for the Sustainability Project Manager for recycling outreach programs. In addition, allocated costs associated with engineering services related to capital projects as well as in-house, mapping projects, and NPDES permitting for the Storm Water fund are also included.

POLICE DEPARTMENT

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Division					
Office of the Chief	2,162,944	2,453,170	2,481,816	2,681,045	
Criminal Investigations	3,988,864	4,114,396	4,101,982	4,735,586	
Planning and Research	455,938	494,611	489,442	422,803	
Northwest Patrol Services	7,364,428	7,646,208	7,594,841	8,218,500	
Southeast Patrol Services	5,497,901	5,450,181	5,478,279	4,935,855	
Special Operations	-	-	-	-	
Administrative Services Bureau	6,513,139	6,763,816	6,903,569	7,243,791	
Total	25,983,214	26,922,382	27,049,929	28,237,580	4.9%
Expenditures by Category					
Personnel	16,438,765	16,806,382	16,885,690	17,386,218	
Benefits	4,256,452	4,882,487	4,885,194	5,041,855	
Operating	5,206,665	5,204,865	5,157,997	5,590,002	
Capital Outlay	81,332	28,648	121,048	219,505	
Total	25,983,214	26,922,382	27,049,929	28,237,580	4.9%
Authorized Positions					
Office of the Chief	32	33	34	35	
Criminal Investigations	52	52	57	65	
Planning and Research	6	6	6	6	
Northwest Patrol Services	110	110	114	114	
Southeast Patrol Services	78	78	68	68	
Special Operations	-	-	-	-	
Administrative Services Bureau	45	45	46	46	
Total	323	324	325	334	10

The budget reflects an overall increase of 4.9% for the continued funding of the Police Department's core services, including the Mobile Field Force, the Gang Unit, a full year of funding for the additional 8 detectives approved in FY 2015, vehicles and equipment. The budget also continues funding of the City's compensation plan.

The personnel line also includes one new full time Administrative Support position, located within the City Attorney's office. This position will provide service to both the Deputy City Attorney as well as the Professional Standards division of the Police Department.

The operating budget for the Police Department also includes funding for community initiatives, increased departmental training, and forensic computer hardware for the crime lab.

POLICE DEPARTMENT

The primary purpose of the **Southeastern Air Borne Law Enforcement (SABLE) Air Unit** is to support and increase the effectiveness of Officers in the field through aerial observation and communication.

The SABLE program is a regional, multi-agency effort shared between the Wilmington Police Department, Leland Police Department, Pender County Sheriff Department, and New Hanover County Sheriff Department.

BUDGET SUMMARY

	FY 14-15 Adopted	FY 15-16 Recommend
Expenditures by Category		
Personnel	133,641	131,113
Benefits	37,416	30,088
Operating	158,744	158,744
Total	329,801	319,945
 Authorized Positions	 2	 2

The FY 2016 recommended SABLE budget reflects a continuation of core services as well as funding for the continuation of a City wide compensation plan.

FIRE DEPARTMENT

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Division					
Administration	165,119	374,115	379,342	287,048	
Fire and Life Safety	629,947	539,841	538,469	606,010	
Community Risk Reduction	0	211,246	210,896	220,918	
Fire Fighting	11,338,420	12,522,661	12,431,842	12,938,153	
Support Services	2,367,939	2,298,096	2,525,739	2,382,190	
Training	571,030	632,601	625,154	562,064	
Total	15,072,455	16,578,560	16,711,442	16,996,383	2.5%
Expenditures by Category					
Personnel	10,097,508	10,841,980	10,779,898	11,204,291	
Benefits	2,865,894	3,469,442	3,470,850	3,460,483	
Operating	2,048,557	2,188,555	2,275,114	2,215,109	
Capital Outlay	60,496	78,583	185,580	116,500	
Total	15,072,455	16,578,560	16,711,442	16,996,383	2.5%
Authorized Positions					
Administration	1	4	4	4	
Fire and Life Safety	9	7	7	7	
Community Risk Reduction	-	3	3	3	
Fire Fighting	192	191	191	191	
Support Services	11	8	8	8	
Training	7	7	7	7	
Total	220	220	220	220	

The FY 2016 budget reflects an overall increase of 2.5%. The budget includes funding for the continuation of core services as well as the City's compensation plan. This budget includes additional funding for purchasing turn-out gear, thermal imaging camera, and defibrillators. The capital outlay includes funding 3 replacement vehicles.

STORM WATER MANAGEMENT FUND

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Section					
Storm Water Maintenance	3,553,228	4,126,891	4,128,909	4,185,483	
Storm Water Services	836,552	1,027,819	1,180,339	1,024,339	
Nondepartmental	5,839,387	3,483,208	4,322,212	4,425,440	
Total	10,229,167	8,637,918	9,631,460	9,635,262	11.5%
Expenditures by Category					
Personnel	2,209,983	2,522,328	2,522,328	2,543,178	
Benefits	661,861	884,586	884,992	845,417	
Operating	1,440,923	1,747,796	1,900,428	1,755,299	
Capital Outlay	37,249	-	1,500	65,928	
Nondepartmental	5,879,151	3,483,208	4,322,212	4,425,440	
Total	10,229,167	8,637,918	9,631,460	9,635,262	11.5%
Authorized Positions					
Storm Water Maintenance	51	51	51	51	
Storm Water Services	9	9	9	9	

The Storm Water Management Fund FY 2015-16 budget reflects an 11.5% increase over FY 2015 adopted levels. This is due to an increase in transfers from \$500,000 to \$1,000,000 to the capital improvement program for storm drain rehabilitation. Requests for equipment rental and small tool purchases are included and are partially offset by reductions in worker's comp claims and fleet charges. Capital outlay purchases include scalehouse hardware and software replacement, pond mower and trailer, leaf vacuum and concrete mixer.

Additionally, the budget includes indirect costs to the General Fund. This includes a 50% share of Public Services Compliance Officer's salary and benefits. This position is shared between Storm Water and Solid Waste for compliance issues related to each activity. Indirect costs also cover engineering services for in-house storm water capital projects and 100% of the salary and benefits of a Project Engineer for storm water permit plan review. Also included is funding for the City's employee compensation plan and support of the Safety and Training Specialist housed in Public Services Administration.

The budget also maintains a contingency budget of \$100,000 for unforeseen needs that may arise during the fiscal year. Any use of contingency funds must be approved by City Council.

SOLID WASTE MANAGEMENT FUND

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Section					
Administration	409,873	416,014	450,152	433,352	
Customer Refuse Collection	3,706,818	3,851,835	3,888,781	3,722,697	
Recycling	651,239	779,796	720,289	860,249	
Yard Waste	3,246,921	1,718,050	1,739,860	1,643,367	
Downtown Collection	897,084	1,011,551	996,630	1,029,337	
Bulky/Metal Waste Collection	498,878	633,620	625,160	653,360	
Nondepartmental	949,806	1,012,486	1,017,486	957,124	
Total	10,360,619	9,423,352	9,438,358	9,299,486	-1.3%
Expenditures by Category					
Personnel	2,511,043	2,764,364	2,764,364	2,832,277	
Benefits	747,086	934,415	934,989	946,676	
Operating	4,970,626	4,712,087	5,424,700	5,258,845	
Capital Outlay	19,057	-	-	-	
Nondepartmental	2,112,807	1,012,486	314,305	261,688	
Total	10,360,619	9,423,352	9,438,358	9,299,486	-1.3%
Authorized Positions					
Administration	5	5	5	5	
Customer Refuse Collection	33	33	33	33	
Recycling	5	5	5	5	
Yard Waste	22	22	22	22	
Downtown Collection	11	11	11	11	
Bulky/Metal Waste Collection	7	7	7	7	
Total	83	83	83	83	-

The FY 2015-16 Solid Waste Management Fund budget provides for the continuation of current services as well as the City's employee compensation plan. The budget also includes additional operating resources to replace cigarette receptacles in the CBD. This will be an ongoing enhancement over the next several years along with replacement of trash containers, until all containers and ash trays are replaced and installed. Additionally, the division will resume the curbside electronic collection program with the annual rental of an electronics disposal trailer and with this program there will be a small increase in fuel costs. Solid Waste will also continue growing the Recycle and Win customer outreach program.

Included in the Nondepartmental budget for Solid Waste are indirect costs to the General Fund for a 50% share of the Public Services Compliance Officer's salary and benefits. This position is shared between Storm Water and Solid Waste for compliance issues related to each activity. Also included is a 50% share of the salary and benefits for the Sustainability Manager position in Public Services Administration that is charged with promoting and improving the City's recycling program through sustainable practices. Also included is indirect costs to support the new Safety and Training Specialist in Public Services Administration at 40% of salary and benefits.

The debt service component of the Nondepartmental budget continues payments for FY 2016 on the installment financing of roll-out carts for the recycling program.

GOLF COURSE FUND

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Section					
Municipal Golf Course	1,010,206	1,111,131	1,163,016	1,302,207	
Inland Greens Golf Course	69,690	79,169	79,181	81,617	
Nondepartmental	428,527	135,500	135,500	114,144	
Total	1,508,423	1,325,800	1,377,697	1,497,968	13.0%
Expenditures by Category					
Personnel	473,182	494,477	502,477	503,955	
Benefits	130,147	148,557	148,638	154,675	
Operating	562,105	522,266	542,185	560,419	
Capital Outlay	15,136	25,000	38,416	13,800	
Nondepartmental	327,853	125,500	135,981	265,119	
Contingency	-	10,000	10,000	-	
Total	1,508,423	1,325,800	1,377,697	1,497,968	13.0%
Authorized Positions	11	11	11	11	-

The FY 2016 budget for the Golf Course reflects a 13% increase over FY 2015. The increase is due primarily to budgeting for a full year of operations at the Municipal Course. FY 2015 revenues and expenditures were decreased due to the closing of the course for a 5 month period during which the greens underwent renovations to restore the course to Donald Ross's original design.

Consumable materials for the maintenance of the new greens was increased by \$32,000 in FY 2015 and is included in the current year operating budget. It is expected that this increase will be needed as a permanent increase going forward.

Due to aging equipment that cannot sufficiently maintain the new greens, this budget also includes \$13,800 in capital outlay to purchase equipment as well as an increase to lease additional equipment needed for maintenance. These new lease terms and budget needs will continue for the next 5 years. This increase was partially offset by a decrease in hard goods, repairs and maintenance, and worker's comp. Also included is funding for the City's employee compensation plan.

Funding for one staff person and the necessary operating expenditures to maintain the Inland Greens course until the drainage and other improvements are completed is included in the Golf Course Fund budget. The Turf Grass Worker position remains in the total count of authorized strength however, is not funded for FY 2016.

PARKING FACILITIES FUND

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Section					
On-Street Parking	-	-	-	341,855	
On-Street Parking	707,422	859,717	1,163,717	1,034,352	
Water Street Deck	165,302	165,034	165,032	170,384	
Second Street Deck	309,293	362,461	369,061	372,340	
Second Street Lot	208,223	215,115	216,721	220,760	
Market Street Deck	431,698	549,691	553,663	515,838	
Hannah Block Lot	15,003	14,264	14,088	16,318	
Nondepartmental	1,261,410	1,489,713	1,544,713	815,561	
Total	3,098,351	3,655,995	4,026,995	3,487,408	-4.6%
Expenditures by Category					
Personnel	91,480	98,644	88,644	114,812	
Benefits	31,279	35,986	36,001	43,170	
Operating	1,702,370	1,965,833	1,997,817	2,065,010	
Capital Outlay	6,050	60,000	354,000	106,000	
Nondepartmental	5,762	5,819	60,820	297,855	
Debt Service	865,760	839,013	839,013	815,561	
Contingency	-	-	-	45,000	
Transfer to Other Funds	395,650	650,700	650,700	-	
Total	3,098,351	3,655,995	4,026,995	3,487,408	-4.6%
Authorized Positions	2	2	2	2	

The Parking Facilities Fund FY 2015-16 expenditure budget reflects a 4.6% decrease from FY 2015 adopted. This reduction is due in part to the transfer to capital projects in FY 2015 whereas this transfer does not occur in FY 2015-16.

Operating expenditures provide for the continuation of services for all parking facilities. Funding for the City's employee compensation plan is also included in the Parking Fund. The FY 2016 capital budget provides for the purchase of 100 POM meters, replacement of 300 vaults and beta testing of new technology. The new meters are planned for installation in the Market Street, Second Street and Convention Center parking decks.

Additionally, \$50,000 is funded for renovation of the Park Wilmington office in capital. Continued funding for a downtown marketing campaign is included at \$30,000. Additionally, the budget is reflective of an increase in two year service contracts in the amount of \$111,917. Of that increase, \$88,484 is specifically for the expansion of meters in the Northern CBD.

Included in the debt service is payment on the Water Street deck however, this expense is partially offset with a transfer in from the Debt Service Fund in revenues.

The budget also maintains a contingency budget of \$45,000 for unforeseen needs that may arise during the fiscal year. Any use of contingency funds must be approved by City Council.

FLEET MAINTENANCE & REPLACEMENT FUND

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Expenditures by Section					
Fleet Operations	3,870,322	8,398,013	11,419,533	5,801,737	
Debt Service	-	552,143	552,143	443,205	
Total	3,870,322	8,950,156	11,971,676	6,244,942	-30.2%
Expenditures by Category					
Personnel	572,726	620,204	620,204	610,972	
Benefits	156,077	184,473	184,485	195,712	
Operating	1,268,090	1,275,719	1,279,407	1,273,600	
Capital Outlay	1,848,895	6,017,617	9,039,137	2,834,953	
Nondepartmental	24,534	300,000	296,300	886,500	
Debt Service	-	552,143	552,143	443,205	
Total	3,870,322	8,950,156	11,971,676	6,244,942	-30.2%
Authorized Positions	13	13	13	13	

The Fleet Maintenance and Replacement Fund budget for FY 2016 reflects a decrease over FY 2015 adopted budget. FY 2015 budget included replacement of fleet vehicles, rolling stock and 18 sanitation packer trucks. The FY 2016 budget includes replacement of fleet vehicles, rolling stock, a reserve for the pumper truck ordered in FY 2015 as well as the purchase of tools for fleet employees.

Funding for the City's employee compensation plan is also included in the Fleet budget for FY 2016.

Debt service that began in FY 2015 constitutes the first of a seven year installment for the purchase of 18 sanitation packer trucks for a total of \$3.2 million. Due to better than expected financing rates, the debt service was reduced for the packer trucks.

DEBT SERVICE FUND

This service/reserve fund was established in FY 2004-05 to set aside resources to meet current and future debt service requirements on general long-term debt.

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Water & Sewer Bond Principal	2,900,000	2,355,000	2,355,000	-	
Water & Sewer Installment Principal	965,000	1,010,000	1,010,000	1,055,000	
Water & Sewer Bond Interest	197,811	114,843	114,585	-	
Water & Sewer Installment Interest	651,920	608,495	608,495	557,995	
Water & Sewer Fiscal Agent Fees	55,893	37,245	37,503	3,530	
Outstanding COPS	-	-	25,267,633	-	
Bond Principal	1,900,000	2,032,500	2,035,000	2,025,000	
Installment Principal	5,660,558	5,248,558	5,248,558	5,282,099	
Bond Interest	838,063	944,956	930,456	819,906	
Installment Interest	4,123,514	3,928,503	3,512,080	4,642,860	
Fiscal Agent Fees	36,240	48,615	60,615	59,286	
Bond Issuance	61,018	-	327,946	-	
Reserve for Future Debt	-	1,669,271	1,559,271	3,096,232	
Nondepartmental	58,355	62,232	66,232	82,611	
Transfer to Other Funds					
General Fund	-	-	416,423	-	
Capital Projects Streets & Sidewalks	1,494,553	1,495,752	1,605,752	2,407,598	
Capital Projects Parks & Recreation	90,000	116,000	116,000	77,554	
Capital Projects Public Facilities	56,200	149,000	149,000	62,000	
Capital Projects Parking	-	-	-	-	
Parking Facilities	260,954	254,337	254,337	247,721	
Allocated Costs	128,378	132,563	132,563	138,890	
Total	19,478,457	20,207,870	45,807,449	20,558,282	1.7%

The Debt Service Fund will reserve approximately \$20.0 million to cover current and future debt obligations associated with the Capital Improvement Program as well as debt and fiscal agent fees in the amount of \$4.1 million that cannot be transferred to the Cape Fear Public Utility Authority. FY 2015 recognized the final GO Bond debt payments from the Authority and that debt has now retired with Other Debt remaining due. This debt is offset with revenues from the Authority to cover this obligation until it is retired.

The expenditures also reflect transfers of 20% of the FY 2016 project totals resultant from the implementation of the 80/20 capital plan. This plan provides for a dedicated \$0.0500 cents on the City's ad valorem rate to provide for an 80% financed, 20% pay-as-you-go plan for the City's recommended 5-year Capital Improvement Program for FY 2013 through FY 2017.

Effective July 1, 2015, the Debt Service Fund will also have a dedicated \$0.0200 cents on the City's tax rate due to an approved \$55M Bond Referendum for Streets and Sidewalks Improvements.

TECHNOLOGY REPLACEMENT FUND

This internal service fund provides for the scheduled replacement of computers and other technology hardware in order to fully realize the benefits of improving technology and assures that the organization's workforce has the tools available to maximize productivity. The fund also provides for cloud computing services.

BUDGET SUMMARY

	FY 13-14 Actual	FY 14-15 Adopted	FY 14-15 Adjusted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Technology Services	433,056	900,000	859,643	636,540	
Technology Replacement	272,658	492,825	814,319	333,575	
Total	705,714	1,392,825	1,673,962	970,115	-30.3%

The FY 2016 budget for the Technology Replacement Fund will provide for the replacement of scheduled equipment including personal computers, docking stations, and other miscellaneous computer equipment. Funding is also included for cloud computing services provided to the City.

CONVENTION CENTER OPERATIONS FUND

This operating fund was established in FY 2007-08 to set aside resources to meet operating expenditures associated with the construction and operation of the Convention Center.

BUDGET SUMMARY

	FY 14-15 Adopted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Operating	3,779,330	4,005,936	
Debt Service	4,228,982	185,322	
Total	8,008,312	4,191,258	-47.7%

The FY 2015-16 budget for the Convention Center Operations Fund reflects an increase to operating expenses but a significant decrease in debt service. The operating budget increases are primarily to repairs and maintenance of the building and grounds. The decrease in debt service for FY 2016 is due to the close out of the Convention Center capital project that resulted in proceeds in the amount of \$4,472,749. The debt service and associated fees for FY 2016 are budgeted in the amount of \$4,658,071 and with the appropriation from the project closeout applied directly to the debt, the net due is \$185,322. This reduction in debt service is a one time event.

The budget also funds personnel expenditures for food and beverage operations, and general administrative costs. Funding for the continued management by SMG, marketing by the Convention and Visitors Bureau (CVB), and the ongoing coordination and management by City staff is also included.

SPECIAL PURPOSE FUND

The Special Purpose Fund is primarily supported by grants, donations to the City, and contributions from the General Fund for special purpose projects. Each project is identified with its own project title and code and is life-to-date.

BUDGET SUMMARY

	FY 14-15 Adopted	FY 15-16 Recommend	% Change FY 14-15 to FY 15-16
Convention Center - 05ED10			
Debt/Operating	5,056,122	945,399	
Total	5,056,122	945,399	-81.3%
Metropolitan Planning Administration - MP1516			
Personnel	517,745	580,668	
Benefits	157,602	179,593	
Operating	241,403	463,108	
Total	916,750	1,223,369	33.4%
Annual Housing Summit - 14EP10			
Reserve	7,000	7,000	
Total	7,000	7,000	0.0%
Ten Year Plan to End Chronic Homelessness - 07CD10			
Operating	50,000	-	
Total	50,000	-	-100.0%
Red Light Cameras - Safelight - 08TR10			
Operating	1,208,231	1,166,425	
Total	1,208,231	1,166,425	-3.5%

UDAG and Miscellaneous Income Projects - 5FN051

Operating	100,000	-	
Total	100,000	-	0.0%

Homeownership Services - 3EP100

Operating	34,276	-	
Total	34,276	-	0.0%

Affordable Housing Programs - 2EP100

Operating	7,200	-	
Total	7,200	-	0.0%

Downtown Business Alliance - 08CR20

Operating	-	11,000	
Total	-	11,000	0.0%

Room Occupancy Tax revenues are recorded in the Special Purpose Fund to support the operating expenditures in the Convention Center operations fund. The amount of occupancy tax required to fund the FY 2016 expenditures is 81% less than FY 2015.

The City of Wilmington serves as the Lead Planning Agency for the Wilmington Metropolitan Planning Organization (MPO). Due to additional funding sources now afforded the Transportation Management Area (TMA) designation bestowed upon the City in FY 2014, and to properly monitor, verify and record expenditures associated with the multiple funding sources as well as account for the multi-member match contributions, the Metropolitan Planning Administration Special Purpose project was established. MP1516 reflects funding for the continuation of transportation management .

The third annual affordable housing summit is scheduled for the fall of 2015. The funding represents the City's continued support of this initiative.

Level funding has been provided for the ten-year plan to end chronic homelessness; a program spearheaded by the Cape Fear Area United Way. In FY 2016, the City has agreed, along with Cape Fear Area United Way, the Cape Fear Council of Governments, and the Continuum of Care, to provide funding to the Cape Fear Council of Governments as the lead agent for the Continuum of Care in lieu of continued support for the ten-year plan to end chronic homelessness.

The budget for the continued operation of the Safelight program reflects the operating expenditures and the required 90% contribution of the total fines paid to the New Hanover County Board of Education. This year's budget is approximately 3.5% lower than FY 2015 primarily due to available balances in the project thereby reducing the contribution required by the City for operating expenditures.

The UDAG and miscellaneous income project budget does not have an appropriation for FY 2016. This is an ongoing project however, and reflects prior year appropriation of loan repayment funds for the purposes of supporting the payment of back taxes associated with properties foreclosed upon by the City and rehabilitation loans to ensure clear title. These costs are not eligible under the CDBG or HOME programs.

FY 2015-16 Recommended Budget OTHER FUNDS

The budget for the Affordable Housing Program does not have an appropriation for FY 2016. This is an ongoing project however, and reflects prior year appropriation of \$7,200 in interest income to increase the funds for the Lead Based Paint Removal program which includes lead inspections and risk assessments.

Funding from available program income such as origination fees, course registration fees, and application fees from the Home Ownership Program (HOP) reflects prior year appropriation to continue support for the workshops, training and outreach to perspective homebuyers. There is not an appropriation for FY 2016.

The budget for SABLE is also included in the Special Purpose Fund however, is presented under Public Safety with the Police Department budget.

CAPITAL BUDGETING

Capital improvement programming is a critical procedure for identifying major facility needs, projecting fiscal resources, establishing priorities, and developing defined project schedules to meet the City of Wilmington capital needs. Capital projects, for the purpose of the Capital Improvement Program (CIP), are generally defined as fixed assets that have a useful life greater than five years and with a cost of \$50,000 or greater. Regular purchases of vehicles and equipment for routine operations and most maintenance and repair costs for City facilities are funded through the annual operating budget.

Once adopted by the City Council, the CIP becomes a policy document regarding the timing, location, character, and funding of future capital projects. It is recognized that the policy represented by the CIP reflects the best judgment of the City Council at the time, and that changing capital priorities, fiscal constraints, and additional needs are likely to become apparent before the program is completed.

The policy established by the CIP provides important guidance for City administration, boards, and commissions appointed by the City Council in regards to municipal governance as it relates to the following matters:

- Preparation of the capital portion of the annual operating budget
- Scheduling and prioritization of project planning and scheduling
- Financial modeling regarding the financing of debt
- Planning efforts of businesses, developers and community organizations

Capital improvement programming provides a bridge between general long-term and short-term project planning. In this process, the long-term objectives of the City are reviewed and translated into a more specific and well defined, multi-year program of five years.

80/20 CAPITAL DEBT PLAN

The FY 2012-13 through FY 2016-2017 CIP reflects a financing strategy implemented in FY 2013 that provides a dedicated \$0.0500 of the property tax rate for maintenance and new infrastructure needs. Eighty percent (80%) of the rate pays for debt and 20% pays for pay-as-you-go projects – 80/20 Capital Debt Plan. The projects represented in the plan are individual projects consistent with City Council goals and objectives and within a framework of identified priorities. Funding was also accelerated to facilitate project completion with the appropriation of funding needs from FY 2014 into FY 2013 and from FY 2016 into FY 2015.

In order to put this plan into place, the Wilmington City Council adopted a tax rate of \$0.0300 cents over revenue neutral in the 2012 revaluation year for the FY 2012-13 budget. That three cents, in addition to the shifting of \$0.0200 cents from the General Fund, funded the plan (with the exception of Enterprise Fund projects such as Storm Water and Parking). The dedicated rate is restricted in the Debt Service Fund by Ordinance and as changes occur in future revaluation years, the tax rate can be adjusted as needed.

FUTURE PROJECTS

The projects identified in FY 2018 and beyond represent project needs for the next five-year capital plan again with the exception of the Enterprise Fund projects. The funding of those projects assumes the current allocation of 5 cents of the tax rate. The prioritization of the requested projects as well as the funding plan will be determined in the years of actual appropriation.

STREETS AND SIDEWALKS GENERAL OBLIGATION BONDS

In November 2014, the voters of Wilmington approved the sale of General Obligation bonds to fund a list of projects located throughout the City. The total cost is projected to be \$55 million, with \$44 million in revenue from the sale of bonds and \$11 million from a dedication of an additional 2 cents on the tax rate. Funding for all approved bond projects has been appropriated and a complete list of can be found on the City's website.

CAPITAL IMPROVEMENT PROGRAM SUMMARY

The Capital Improvement Program spans a seven-year period covering fiscal years 2015-16 through 2021-22 for all categories except Storm Water which is a five-year period covering fiscal years 2015-16 through 2019-20. Project costs, descriptions, and funding plans are presented in four (4) programmatic categories which include Streets and Sidewalks, Parks and Recreation, Public Buildings and Facilities, and Storm Water.

The **Streets and Sidewalks** program addresses major thoroughfare needs, street maintenance and rehabilitation, sidewalk construction and repair at a seven-year projected cost of \$24,870,919. The funding appropriation is planned so that two years of funding occurs in one year, and no funding is required in the following year.

The **Parks and Recreation** program provides for development of existing parks and funding for the maintenance and repair of various park facilities and structures throughout the City at a seven year projected cost of \$20,764,985.

The **Public Facilities** program consists of funding for various public improvements. The seven-year projected cost for this program is \$10,647,295.

The **Storm Water** program continues the City's efforts to proactively manage and mitigate the effects of storm water runoff, alleviate flooding, improve and maintain the drainage systems and drainage capacity of watercourses and containment structures City-wide at a projected cost of \$21,430,000 over five years.

CAPITAL IMPROVEMENT COST SUMMARY BY PROGRAM

Fiscal Years 2015-16 Through 2021-22

	2015-16	2016-17	2017-18	2018-19	2019-20	2021-2022	Total 2016-2022	2018-2022 2nd 80/20 Plan
Streets & Sidewalks	-	4,002,383	5,087,808	4,993,600	3,710,374	7,076,754	24,870,919	20,868,536
Parks & Recreation	-	2,956,800	2,113,396	2,530,502	9,487,355	3,676,932	20,764,985	17,808,185
Public Buildings & Facilitie	-	325,500	1,096,699	8,079,184	363,493	782,419	10,647,295	10,321,795
Storm Water	<u>1,000,000</u>	<u>5,560,000</u>	<u>8,920,000</u>	<u>4,950,000</u>	<u>1,000,000</u>	<u>-</u>	<u>21,430,000</u>	<u>-</u>
Total, Cost Summary	<u>1,000,000</u>	<u>12,844,683</u>	<u>17,217,903</u>	<u>20,553,286</u>	<u>14,561,222</u>	<u>11,536,105</u>	<u>77,713,199</u>	<u>48,998,516</u>

CAPITAL IMPROVEMENT REVENUE SUMMARY BY SOURCE

Fiscal Years 2015-16 Through 2019-20

	2015-16	2016-17	2017-18	2018-19	2019-20	2021-2022	Total 2016-2022	2018-2022 2nd 80/20 Plan
Debt Service Fund	-	1,974,623	1,659,581	3,120,657	2,712,244	2,307,221	11,774,326	9,799,703
Installment Financing - 80/20 Plan	-	5,310,060	6,638,322	12,482,629	10,848,978	9,228,884	44,508,873	39,198,813
Revenue Bonds	-	4,560,000	7,470,000	2,300,000	-	-	14,330,000	-
Storm Water Fund	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,450,000</u>	<u>2,650,000</u>	<u>1,000,000</u>	<u>-</u>	<u>7,100,000</u>	<u>-</u>
Total, Revenue Summary	<u>1,000,000</u>	<u>12,844,683</u>	<u>17,217,903</u>	<u>20,553,286</u>	<u>14,561,222</u>	<u>11,536,105</u>	<u>77,713,199</u>	<u>48,998,516</u>

STREETS AND SIDEWALKS

Project Costs

		Original Five-Year 80/20 Plan		Second Five Year 80/20 Plan				
		Year 4	Year 5	Year 6	Year 7	Year 8	Total Year 6 -10	
Code	Project Title	Estimated 2015-16	Estimated 2016-17	Estimated 2017-18	Estimated 2018-19	Estimated 2019-20	Total Total	Rolling Seven Year Total 2016-2022
05SR10	Streets Rehabilitation	-	3,527,853	2,000,000	2,000,000	2,000,000	10,000,000	13,527,853
2MF160	Multimodal Transportation Center	-	-	284,872	-	-	284,872	284,872
14ST30	Kerr Ave Bicycle Facilities	-	352,922	-	-	-	-	352,922
4SW100	Sidewalk Rehab/Repairs	-	-	250,000	500,000	500,000	2,250,000	2,250,000
05BR20	Bridge Repair	-	121,608	9,672	793,600	10,374	990,400	1,112,008
13ST10	Coordinated Improvements w/CFPUA	-	-	690,000	700,000	700,000	3,490,000	3,490,000
4SW200	Pedestrian/Bike Improvements	-	-	300,000	500,000	500,000	1,800,000	1,800,000
4WT100	WTA Grant Match (buses,shelters,benches)	-	-	525,128	-	-	525,128	525,128
TBD	Brick Street Rehabilitation	-	-	250,000	500,000	-	750,000	750,000
TBD	Riverwalk South Handrails	-	-	403,636	-	-	403,636	403,636
06ST20	Front & Red Cross Signal	-	-	374,500	-	-	374,500	374,500
Total - Streets and Sidewalks Recommended		-	4,002,383	5,087,808	4,993,600	3,710,374	20,868,536	24,870,919

Funding Plan

	Estimated 2015-16	Estimated 2016-17	Estimated 2017-18	Estimated 2018-19	Estimated 2019-20	Total Total Year 6 -10	Rolling Seven Year Total 2016-2022
Funding Source							
Debt Service Fund	-	800,477	1,017,562	998,720	742,075	4,173,707	4,974,184
Installment Financing - 80/20 Plan	-	3,201,906	4,070,246	3,994,880	2,968,299	16,694,829	19,896,735
Total Funding 80/20 Plan	-	4,002,383	5,087,808	4,993,600	3,710,374	20,868,536	24,870,919

LEGEND

	Orange fill = Original Five-Year 80/20 Plan
	Blue fill = Second Five Year 80/20 model

PARKS AND RECREATION

Project Costs

		Original Five-Year 80/20 Plan		Second Five Year 80/20 Plan				
		Year 4	Year 5	Year 6	Year 7	Year 8		Rolling Seven Year Total
Code	Project Title	Estimated 2015-16	Estimated 2016-17	Estimated 2017-18	Estimated 2018-19	Estimated 2019-20	Total Year 6 -10	2016-2022
05PK10	Park Facilities Maintenance	-	200,000	436,720	449,822	463,316	2,318,606	2,518,606
07PK20	Alderman Preserve Phase II	-	1,325,000	-	-	-	-	1,325,000
07PK49	Empie Park Improvements	-	1,251,800	-	-	-	-	1,251,800
06PK30	Parks, Recreation and Open Space Master Plan Update	-	-	-	37,450	-	37,450	37,450
14ED10	N. Downtown Park Site Development Ph 1	-	180,000	1,546,176	-	-	1,546,176	1,726,176
14ED10	N. Downtown Park Site Development Ph 2	-	-	-	1,307,390	8,693,772	10,001,162	10,001,162
14ED10	N. Downtown Park Site Development Ph 3	-	-	-	-	330,267	3,038,451	3,038,451
TBD	Hardee Field Improvements	-	-	-	735,840	-	735,840	735,840
TBD	Replacement of Skatepark Office	-	-	72,500	-	-	72,500	72,500
07PK30	Wade Park Building Demolition	-	-	58,000	-	-	58,000	58,000
Total - Parks and Recreation Recommended		-	2,956,800	2,113,396	2,530,502	9,487,355	17,808,185	20,764,985

Funding Plan

	Estimated 2015-16	Estimated 2016-17	Estimated 2017-18	Estimated 2018-19	Estimated 2019-20	Total Total Year 6 -10	Rolling Seven Year Total 2016-2022
Funding Source							
Debt Service Fund	-	591,360	422,679	506,100	1,897,471	3,561,637	4,152,997
Installment Financing - 80/20 Plan	-	2,365,440	1,690,717	2,024,402	7,589,884	14,246,548	16,611,988
Total Funding	-	2,956,800	2,113,396	2,530,502	9,487,355	17,808,185	20,764,985

LEGEND

	Orange fill = Original Five-Year 80/20 Plan
	Blue fill = Second Five Year 80/20 model

PUBLIC FACILITIES

Project Costs

		Original Five-Year 80/20 Plan		Second Five Year 80/20 Plan				
		Year 4	Year 5	Year 6	Year 7	Year 8		Rolling Seven Year Total
Code	Project Title	Estimated 2015-16	Estimated 2016-17	Estimated 2017-18	Estimated 2018-19	Estimated 2019-20	Total Year 6 -10	2016-2022
05MF10	Building Maintenance	-	325,500	329,699	346,184	363,493	1,821,795	2,147,295
15MF10	Future Administrative Facilities	-	-	767,000	7,733,000	-	8,500,000	8,500,000
Total - Public Facilities Recommended		-	325,500	1,096,699	8,079,184	363,493	10,321,795	10,647,295

Funding Plan

		Estimated 2015-16	Estimated 2016-17	Estimated 2017-18	Estimated 2018-19	Estimated 2019-20	Total Total Year 6 -10	Rolling Seven Year Total 2016-2022
	Funding Source							
	Debt Service Fund	-	65,100	219,340	1,615,837	72,699	2,064,359	2,129,459
	Installment Financing - 80/20 Plan	-	260,400	877,359	6,463,347	290,794	8,257,436	8,517,836
	Total Funding	-	325,500	1,096,699	8,079,184	363,493	10,321,795	10,647,295

LEGEND

	Orange fill = Original Five-Year 80/20 Plan
	Blue fill = Second Five Year 80/20 model

STORM WATER

Project Costs

		Recommended	Estimated	Estimated	Estimated	Estimated	
Code	Project Title	2015-16	2016-17	2017-18	2018-19	2019-20	TOTAL
14DC10	Clear Run Branch	-	2,300,000	2,300,000	2,300,000	-	6,900,000
15DC10	Old Macumbers Drainage Improvements	-	1,650,000	2,930,000	1,650,000	-	6,230,000
TBD	Whispering Pines/Masonboro Drainage Improvements	-	610,000	2,690,000	-	-	3,300,000
07DC20	Annual Storm Drain Rehabilitation	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
	Total - Storm Water Projects	1,000,000	5,560,000	8,920,000	4,950,000	1,000,000	21,430,000

Funding Plan

		Estimated	Estimated	Estimated	Estimated	Estimated	
	Funding Source	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL
f =	Stormwater Pay-Go	1,000,000	1,000,000	1,450,000	2,650,000	1,000,000	7,100,000
b2 =	Revenue Bonds	-	4,560,000	7,470,000	2,300,000	-	14,330,000
	Total Funding	1,000,000	5,560,000	8,920,000	4,950,000	1,000,000	21,430,000

Highlighted amounts represent capital spending not supported by storm water rates approved through Fiscal Year 2017-18. Therefore, to keep the projects funded as shown above, the 5.9% rate increases approved through FY 2018 would need to continue.